

MEMORANDUM

To: Kent Street, Chairman, Executive Committee
From: Walter S. Willis, Executive Director
Subject: January Meeting Notice Information
Date: January 7, 2010

Attached you will find the agenda for this month's meeting, the minutes from our December 2009 meeting, and the referenced consent, action and/or informational items.

I look forward to seeing you all at this month's meeting.

SOLID WASTE AGENCY OF LAKE COUNTY, IL
EXECUTIVE COMMITTEE
Thursday January 14, 2010 12:00 Noon
1311 N. Estes Street Gurnee, IL 60031

1. CALL TO ORDER.....Chairman Street
2. ROLL CALLSecretary
3. APPROVAL OF MINUTES
 Minutes of December 17, 2009
4. NEW AGENDA ITEMS
5. PUBLIC COMMENT ON AGENDA ITEMS
6. EXECUTIVE COMMITTEE ITEMSChairman Street

Action Items

1. 2010 Legislative Policy
2. Proposed Revisions to the Draft 2009 Plan Update
3. Host Agreement Between Veolia ES Zion Landfill, Inc., Lake County and SWALCO
4. Host Agreement Between Republic Services and SWALCO
5. Budget Adjustment
6. Household Chemical Waste (HCW) Labor/Transportation Bid Award

Information Items

1. Household Chemical Waste (HCW) Schedule for FY 2010
 2. Project and Program Update
7. COMMITTEE MATTERS
 8. EXECUTIVE SESSION
 9. ADJOURNMENT

A – 1. 2010 Legislative Policy

ISSUE: Whether to recommend approval of SWALCO's 2010 Legislative Policy to the SWALCO Board of Directors.

RECOMMENDATION: SWALCO staff and the Legislative Committee recommend approval.

TIMING: Routine

BACKGROUND: The Legislative Committee met on November 20, 2009 to review and revise the Legislative Policy. After revisions were made, the Committee members approved the changes via email. Also at the meeting, Steve Mandel was elected to Chairman of the Legislative Committee. The federal level policy has remained fairly consistent with previous years. The state level policy remains focused on expanding markets for C&D recycling and food waste composting, and SWALCO's top legislative priority is to address the funding issue under the local surcharge fee.

This year we did budget for more active lobbying by our lobbyist, Kip Kolkmeier. His services will not only include tracking legislation but also help SWALCO introduce new legislation or amend existing legislation such as SB 2034 (the Beneficial Use law passed last session).

Due to budget cuts SWALCO is not holding its annual Legislative Breakfast. Walter Willis and Steve Mandel did attend the Lake County Legislative Breakfast on January 8, 2010.

ENCLOSED DOCUMENT: 2010 Legislative Policy

STAFF: Walter S. Willis, Executive Director



**SOLID WASTE AGENCY OF LAKE COUNTY, IL
2010 LEGISLATIVE POLICY**

The Solid Waste Agency of Lake County (SWALCO) is a Municipal Joint Action Agency established to implement the Lake County Solid Waste Management Plan. SWALCO is made of forty Lake County municipalities, the Great Lakes Naval Base and the County of Lake. SWALCO's Board of Directors established the Legislative Committee to develop a legislative policy for ultimate approval by the Board of Directors. The Legislative Committee implements the approved policy.

OVERVIEW

Annually, the SWALCO Board of Directors approves a Legislative Policy that acts as a guide to our members, and informs our federal and state legislators and executive branch officials on SWALCO's legislative concerns and positions on issues. The following is a brief overview of SWALCO's 2010 Legislative Policy, which has been divided into federal and state levels.

Federal Level

1. ISSUE: INTERSTATE WASTE

Support federal legislation, which recognizes and "grandfathers" current interstate waste transport and disposal. Any bill that limits the future importation or exportation of waste should be evaluated to assess its impact before a final policy position is taken.

2. ISSUE: PERMITTING SOLID WASTE FACILITIES

Support legislation that ensures the applicability of state permitting and local land use controls over solid waste disposal and/or transportation facilities.

3. ISSUE: FLOW CONTROL

Take no action on flow control, other than to work with other solid waste and municipal organizations to monitor the progress of any flow control legislation and ensure that local governments can institute franchise refuse collection for both the residential and commercial sectors.

4. ISSUE: SUPERFUND RE-AUTHORIZATION

Work with our federal legislators on revisions to the Superfund Act to cap municipal liability. Participate with national organizations as they consider positions on the reform of the Superfund law.

5. ISSUE: RENEWABLE ENERGY FROM MSW SOURCES

Support the designation of municipal solid waste (MSW) derived energy (including landfill gas, waste-to-energy, anaerobic digestion, and MSW gasification) as a renewable energy source. SWALCO may, on a case-by-case basis, support the establishment of renewable energy goals/requirements (also referred to as Renewal Portfolio Standards, RPS) as a percentage of total energy output. This may also include support for tax credits, grants and other incentives, including greenhouse gas offset credits that provide financial and/or environmental incentives for the development of renewable energy from MSW sources.

6. ISSUE: PRODUCT STEWARDSHIP AND PRODUCER RESPONSIBILITY

Support legislation that fosters responsible product stewardship and producer responsibility. Most attention is currently focused on the electronics industry. SWALCO supports a national policy, but in the absence of a national policy will support a state-based program (please refer to the state level discussion)

State Level

1. ISSUE: INFORMATIONAL SUPPORT FOR OUR STATE DELEGATION

The SWALCO Legislative Committee and staff will coordinate with the Lake County legislative delegation in reviewing legislative initiatives.

2. ISSUE: LOCAL SURCHARGE

Support amending the Environmental Protection Act to either eliminate exempting wastes from local fees imposed by units of local government (\$1.27) in subsection (j) or increase the amount of the fee.

3. ISSUE: CONSTRUCTION OR DEMOLITION DEBRIS RECYCLING

The Agency will actively support legislation that addresses the construction and demolition debris recycling facilities' compliance with the 75% diversion requirement in Section 22.38 of the Act and helps create markets for materials, as long as those markets do not include landfill related uses.

4. ISSUE: FOOD SCRAP COMPOSTING

The Agency will actively support legislation that promotes and supports the marketing of compost or enhances the market demand for compost derived from landscape waste alone or commingled with food scraps.

5. ISSUE: RENEWABLE ENERGY FROM MSW SOURCES

Support the designation of municipal solid waste (MSW) derived energy (including landfill gas, waste-to-energy, anaerobic digestion, and MSW gasification) as a renewable energy source. SWALCO may, on a case-by-case basis, support the establishment of renewable energy goals/requirements as a percentage of total energy output. This may also include support for tax credits and other incentives, including greenhouse gas offset credits that provide financial and/or

environmental incentives for the development of renewable energy from MSW sources. It should be noted that Illinois has enacted legislation (PA 095-0481) that sets Renewable Energy Standards (RES) for the utilities. The legislation sets RES's at 2% in 2008 and 25% by 2025.

6. ISSUE: MUNICIPAL JOINT ACTION AGENCY POWERS

Support legislation to expand the powers of a solid waste Municipal Joint Action Agency (MJAA) to include providing for sustainability planning and program implementation as it relates to the efficient use of natural resources (including water), reducing dependence on non-renewable energy sources and enhancing the viability of Lake County's ecosystems.

SWALCO is in a unique position, given its membership represents most of Lake County's units of local government, to coordinate green planning efforts in Lake County and act as an information clearinghouse for innovative ideas and programs being implemented in Lake County (and throughout the country). By working together, economies of scale may also be achieved that will lead to the implementation of sustainability programs that may otherwise not have been pursued.

7. ISSUE: POLLUTION CONTROL FACILITIES

Oppose changes that affect the local authority's control over the siting of pollution control facilities.

8. ISSUE: PRODUCT STEWARDSHIP AND PRODUCER RESPONSIBILITY

Support legislation that fosters responsible product stewardship and producer responsibility and does not place unfunded mandates on local government resources. In 2008 the Governor signed the Electronics Products Recycling and Reuse Act (PA 095-0959) into law. This is the bill introduced by Senator Garrett and supported by SWALCO.

9. ISSUE: LANDFILL MATERIAL BANS

Oppose the banning of individual materials from landfills unless a viable alternative disposal technology is available.

10. ISSUE: RECYCLE RETAIL PLASTIC BAGS

Monitor and participate in the implementation of the Plastic Bag Recycling Act (Public Act 95-0268). SWALCO is currently serving on the task force created by the Act and will be leading efforts to increase the recovery of plastic bags in Lake County per the requirements of the Act. SWALCO will work with the Lake County legislative delegation to assist in developing and enacting legislation to implement the recommended findings of the report that the Task Force is required to submit to the General Assembly in March 2010.

11. ISSUE: ENVIRONMENTAL FEE TRANSFER

Oppose the transfer of any state fees imposed on municipal solid waste to offset any shortfall in general fund revenues.

12. ISSUE: DEPOSIT LEGISLATION

Oppose the imposition of a deposit on beverage containers. A \$0.05 or \$0.10 tax on beverage containers will negatively impact our recycling program, create a tax on residents and penalize retailers.

13. ISSUE: LANDSCAPE WASTE BURN BAN

The Agency will consider supporting a leaf burning ban bill, which provides for local control of burning ordinances.

SWALCO's 2009 LEGISLATIVE POLICY

SWALCO's legislative policy will be communicated to our elected representatives and will be used to provide input to organizations which SWALCO, or its members, are affiliated (for example: National Association of Counties, US Conference of Mayors, the Solid Waste Association of North America, the National Recycling Coalition, Lake County Municipal League, Northwest Municipal Conference and the Illinois Municipal League).

Legislative committees are the first, and most important, part of the process. At the state level, solid waste legislation is introduced and is generally referred to one committee in each of the chambers. In the Senate, the Committee of Environment and Energy is the legislative starting point. In the House, it is also the Environment and Energy Committee. At the Federal level, the House Commerce Committee and its subcommittee on Commerce, Trade and Hazardous Materials handles solid waste initiatives. In the Senate, it's the Environment and Public Works Committee.

The following is a more detailed discussion of legislation of interest to SWALCO on both the federal and state levels.

Federal Level

1. ISSUE: INTERSTATE WASTE

Support federal legislation which recognizes and "grandfathers" current interstate waste transport and disposal. Any bill that limits the future importation or exportation of waste should be evaluated to assess its impact on SWALCO's members before a final policy position is taken.

Discussion

Midwest states do not want to be considered dumping grounds for east coast or Canadian generated waste. Many communities, however, signed agreements to accept waste from outside of their state when their local landfill was developed. They benefited in this arrangement by receiving host fees for this waste. Several states, primarily Michigan with its concerns over waste imports from Canada, have attempted to enact federal legislation to limit or restrict the flow of waste from other states and/or countries. In Illinois we recognize that a significant quantity of Chicago metro waste is transported to landfills in Wisconsin, Michigan and Indiana. Any federal attempt to legislate the flow of waste must be closely scrutinized and evaluated before a position can be taken.

In Lake County, both the Veolia Zion and the Countryside Landfills accept waste from Wisconsin. In turn, Lake County relies on Waste Management to accept waste at its Pheasant Run Landfill in Pleasant Prairie, Wisconsin. This landfill, through our agreement, provides a significant amount of SWALCO's long-term solid waste disposal capacity needs. The State of Wisconsin's past attempts to ban out-of-state waste demonstrated how one state can attempt to control the actions of another. SWALCO has joined others in successfully challenging attempts by Wisconsin to limit out-of-state waste.

In 2007, Wisconsin enacted legislation to increase its landfill surcharge (in Wisconsin it is referred to as the recycling fee) by \$1 to \$4 per ton (Illinois charges \$2.22 at the state level and locals may enact an additional fee of \$1.27). More recently, Wisconsin approved legislation that will increase its landfill surcharge to \$13 per ton. While SWALCO cannot impact legislation in other states, this type of action by our neighboring states may create an impetus for increasing the surcharge local units of government in Illinois can levy, which has been frozen at \$1.27 since the enactment of the Solid Waste Management Act in 1986.

2. ISSUE: PERMITTING SOLID WASTE FACILITIES

Support legislation, which provides for state permitting and local land development controls over solid waste transportation facilities.

Discussion

The Surface Transportation Board (STB) has regulatory authority of all rail facilities. This Board is part of the US Department of Transportation. Currently, the STB exempts rail operators from complying with state and local solid waste laws and regulation. Solid waste handling facilities require active environmental regulation to ensure minimal impact to the environment. State and local governments engage in long-term planning for waste management facilities. The development of solid waste rail capacity is desirable to reduce the impact of truck traffic on local and state roads. However, solid waste rail facilities have potential negative environmental consequences and therefore local and state permits are essential.

Therefore it is necessary to ensure that these solid waste facilities are compliant with environmental permitting and local land use planning. Therefore, Title 49 of the United States Code should be amended to require state permitting of rail solid waste facilities.

3. ISSUE: FLOW CONTROL

Take no action on flow control, other than to work with other solid waste and municipal organizations to monitor the progress of any flow control legislation and ensure that local governments can institute franchise refuse collection and continue to act as a market participant to direct their waste and/or recyclables to facilities pursuant to competitively bid contracts.

Discussion

The US Supreme Court has upheld the right of communities to enact flow control by acting as a market participant. The Court went further with its April 30, 2007 decision in the *United Haulers v. Oneida-Herkimer Solid Waste Management Authority* case where the Court sustained the flow control ordinances of the Waste Authority. The Court held that directing waste or recyclables to publicly owned facilities was constitutional. The Court has now created a public-private distinction with respect to the Commerce Clause of the U.S. Constitution.

This means that SWALCO has the legal authority to direct its waste and recyclables to publicly owned disposal sites and recycling centers. What isn't clear in the decision is what ability public entities have to direct materials to privately owned or operated facilities. Regardless, SWALCO does have the authority to act as a market participant and direct materials to facilities as part of competitively bid contracts.

4. ISSUE: SUPERFUND RE-AUTHORIZATION

Work with our federal legislators on revisions to the Superfund Act to cap municipal liability. Participate with national organizations as they consider positions on the reform of the Superfund law.

Discussion

It is widely accepted that the existing Superfund law is not working as envisioned. The "polluter pays" approach is an important part of the original legislation. However, the due process provision, for the Potentially Responsible Parties (PRP), often delays cleanups from occurring.

Any change in the liability and cost distribution will impact funding for Superfund. Funding, in general, is a key issue for Congress.

5. ISSUE: RENEWABLE ENERGY FROM MSW SOURCES

Support the designation of municipal solid waste (MSW) derived energy (including landfill gas, waste-to-energy, anaerobic digestion, and MSW gasification) as a renewable energy source. SWALCO may, on a case-by-case basis, support the establishment of renewable energy goals/requirements as a percentage of total energy output. This may also include support for tax credits and other incentives, including greenhouse gas offset credits that provide financial and/or environmental incentives for the development of renewable energy from MSW sources.

Discussion

Methane gas energy production is an example of energy production from waste sources. The primary method of waste management in Lake County is landfilling. All three landfills serving Lake County collect and generate energy from methane gas. This capability is facilitated through tax incentives. It is also a source of renewable energy production.

Also of interest is energy derived from alternative waste management technologies including anaerobic digestion and MSW gasification. Both technologies are well proven

with other feed stocks, but have yet to be utilized for MSW in the U.S. due to unfavorable economics and the U.S.'s continued reliance on landfilling. Several alternative technology projects are proceeding in both California and Florida. Essential to the economics of these projects is the designation of the energy as a renewable energy source. Large utilities are now searching for renewable energy projects and are often willing to pay a premium for the energy. These projects also have the potential to reduce the amount of greenhouse gases (GHG) emitted in the production of energy, especially as related to coal power plants.

6. ISSUE: PRODUCT STEWARDSHIP AND PRODUCER RESPONSIBILITY

Support legislation that fosters responsible product stewardship and producer responsibility. Most attention is currently focused on the electronics industry. SWALCO supports a national policy, but in the absence of a national policy will support a state-based program (please refer to the state level discussion).

Discussion

Product stewardship is a product-centered approach to environmental protection. Product stewardship calls on all those in the product life cycle--manufacturers, retailers, users, and waste managers --to share responsibility for reducing the environmental impacts of products. States such as Illinois, California, Maine and Massachusetts have enacted legislation to divert electronic products, such as home computers and Cathode Ray Tubes (CRTs), from municipal waste disposal facilities.

Product stewardship recognizes that product manufacturers should take on new responsibilities to reduce the adverse environmental impact of their products. However, all participants in a product life cycle, including retailers, consumers, and waste managers have important roles to play in working in cooperation with product manufacturers to develop the most workable and cost-effective solutions.

From a solid waste manager's perspective, product stewardship refers to the actions that should be taken with respect to product design, reuse, collection, recycling and disposal in order to avoid adverse environmental impacts from the disposal of the product. Manufacturers must design their products to facilitate disassembly and recycling. Consumers must be educated on how to properly dispose of products. Education can be approached through information developed by manufacturers and provided to consumers through product stickers, operation manuals and advertising. Most importantly, an infrastructure must be developed to properly and responsibly handle the product if it's diverted from the municipal solid waste stream

State Level

1. ISSUE: INFORMATIONAL SUPPORT FOR OUR STATE DELEGATION

The SWALCO Legislative Committee and staff will coordinate with the Lake County legislative delegation in reviewing legislative initiatives.

Discussion

This year, SWALCO will not be holding its annual Legislative Breakfast due to budget cuts in this year's operating budget. Instead the Agency will attend the Lake County Legislative Breakfast and then attempt to meet individually with each member of our delegation to review SWALCO's legislative policy for 2010. It is also important for SWALCO to support its delegation regarding issues as they are developed in Springfield. The state representatives often do not have the staff required to complete detailed assessments of issues. However, this is an area where the Agency can assist these legislators. SWALCO can be a resource to our County delegation.

It is important for the Agency to reach out to these our members and ensure they have the information they need to work on solid waste issues in Springfield.

2. ISSUE: LOCAL SURCHARGE

Support amending the Environmental Protection Act to either eliminate exempting wastes from local fees imposed by units of local government (\$1.27) in subsection (j) or increase the amount of the fee.

Discussion

Over the past several years the amount of waste received at the two in county landfills has decreased by approximately 100,000 tons per year due to increased recycling and local market conditions. SWALCO has had to cut its budget accordingly and implement an annual Operations and Maintenance Fee on its members in order to balance its budget. As SWALCO continues to increase its recycling rate (currently at approximately 45%) and divert more material from the landfills its revenues will likely continue to decline. This will limit SWALCO's ability to develop and implement programs to further divert materials from the landfill.

There are two primary ways to increase the revenue associated with the local surcharge: increase the fee or remove or modify the exempt waste exclusion. Since local units of government began collecting the \$1.27 surcharge on fee eligible waste over 15 years ago the fee has not been increased. The state fee has been increased from \$0.95 per ton to \$2.22 per ton. In the past SWALCO has explored eliminating the exempt waste (e.g. pollution control waste) exclusion and thereby levying the fee on all waste accepted at landfills. For Lake County this could be significant. In 2007, if the fee had been applied to exempt waste the local surcharge payment would have increased by \$347,670 and in 2008 it is projected to be \$307,500. While the two landfills do pay local surcharge fees of approximately \$1.15 million per year, this number has decreased by over \$100,000 per year over the past several years. The waste industry will likely oppose any effort to increase the fee or alter the exempt waste status.

In 2007, Wisconsin enacted legislation to increase its landfill surcharge (in Wisconsin it is referred to as the recycling fee) by \$1 to \$4 per ton (Illinois charges \$2.22 at the state level and locals may enact an additional fee of \$1.27). More recently in 2009, Wisconsin approved legislation that will increase its landfill surcharge to \$13 per ton. While SWALCO cannot impact legislation in other states, this type of action by our neighboring states may create an impetus for increasing the surcharge local units of government in Illinois can levy, which has been frozen at \$1.27 since the enactment of the Solid Waste Management Act in 1986.

3. ISSUE: CONSTRUCTION OR DEMOLITION DEBRIS RECYCLING

The Agency will actively support legislation that addresses the construction and demolition debris recycling facilities' compliance with the 75% diversion requirement in Section 22.38 of the Act and helps create markets for materials, as long as those markets do not include landfill related uses.

Discussion

Section 22.38 of the Illinois Environmental Protection Act encourages the development of facilities that accept exclusively construction or demolition debris (as defined in the Act) as long as they limit the amount of non-recyclable construction or demolition debris to 25% or less of the total incoming volume and/or weight. Last legislative session, SWALCO, with Senator Link's help as a sponsor, was able to enact legislation (Senate Bill 125) that will make it easier for C&D recycling facilities to be located in Lake County. The remaining issue with these facilities is their compliance with the limit of 25% or less of non-recyclable materials resulting from the recycling process. In essence they must achieve a 75% recycling rate or lose their special status under Section 22.38 of the Act. Last year SWALCO supported HB 266, which became law, and allowed the use of wood as a fuel to be counted toward the 75% goal. If it is determined that additional amendments to Section 22.38 are required, SWALCO will work with the various stakeholders to develop compromise legislation.

4. ISSUE: FOOD SCRAP COMPOSTING

The Agency will actively support legislation that promotes and supports the marketing of compost or enhances the market demand for compost derived from landscape waste alone or commingled with food scraps.

Discussion

With the passage of SB 99 last session (which SWALCO supported and worked hard to see enacted) significant barriers to the development of food scrap composting sites were removed. The focus now is to ensure that markets exist for the final compost product from landscape only and landscape waste with food scraps.

5. ISSUE: RENEWABLE ENERGY FROM MSW SOURCES

Support the designation of municipal solid waste (MSW) derived energy (including landfill gas, waste-to-energy, anaerobic digestion, and MSW gasification) as a renewable energy source. SWALCO may, on a case-by-case basis, support the establishment of renewable energy goals/requirements as a percentage of total energy output. This may also include support for tax credits and other incentives, including greenhouse gas offset credits that provide financial and/or environmental incentives for the development of renewable energy from MSW sources.

Discussion

Please refer to the discussion under the federal level renewable energy issue. While the federal government will likely be active in this legislative area, many states are taking the

lead by setting their own renewable energy use goals as Illinois has as discussed earlier. Such action is driving markets for renewable energy sources, such as MSW, and should enhance the economics of MSW energy related projects as long as MSW energy projects qualify as “renewable energy” projects. A second factor associated with renewable energy projects is their potential to reduce GHG’s, and as a result, qualify for carbon emissions credits that are currently traded on the Chicago Climate Exchange under a voluntary program. Both federal and state governments are looking into mandating carbon-emissions trading as a way to combat global warming.

6. ISSUE: MUNICIPAL JOINT ACTION AGENCY POWERS

Support legislation to expand the powers of a solid waste MJAA to include providing for sustainability planning and program implementation as it relates to the efficient use of natural resources (including water), reducing dependence on non-renewable energy sources and enhancing the viability of Lake County’s ecosystem.

Discussion

SWALCO is in a unique position, given its membership represents most of Lake County’s units of local government, to coordinate green planning efforts in Lake County and act as an information clearinghouse for innovative ideas and programs being implemented in Lake County (and throughout the country). By working together, economies of scale may also be achieved that will lead to the implementation of sustainability programs that may otherwise not have been pursued.

7. ISSUE: POLLUTION CONTROL FACILITIES

Oppose changes that affect the local authority’s control over the siting of pollution control facilities.

Discussion

SWALCO firmly supports the current practice of having local units of government approve or deny the siting of pollution control facilities within their jurisdictions. This law has proven to be successful in Illinois. Any attempt to tamper with local control will be opposed by SWALCO. However, minor changes to the law that help streamline or clarify the process (often due to case law) will be evaluated on a case-by-case basis.

8. ISSUE: PRODUCT STEWARDSHIP AND PRODUCER RESPONSIBILITY

Support legislation that fosters responsible product stewardship and producer responsibility and does not place unfunded mandates on local government resources. In the future there may be efforts to have manufacturers of pharmaceuticals (or other products) take more responsibility for the cost of managing unused pharmaceuticals (or other products).

Discussion

Please refer to the discussion under the federal level product stewardship issue. It appears that there is currently a lack of consensus at the federal level and that state government will have to take the lead on this issue.

9. ISSUE: LANDFILL MATERIAL BANS

Oppose the banning of individual materials from landfills unless a viable alternative disposal technology is available.

Discussion

Waste bans have been used previously to eliminate landscape waste, white goods and oil from municipal solid waste landfills. These bans have reduced the amount of material going to landfills. However, the infrastructure needed to support the alternative disposal plan is rarely in place. Landscape waste was banned from landfills. However, compost facilities were not sufficiently regulated to ensure their proper operation. White goods and Freon are banned, but it took several months to get the scrap dealers to address removing the Freon, which caused a problem in disposing of white goods.

SWALCO believes that a two-year period is required to ban material from a landfill and set up the alternative disposal technology. In this interim period, the state agencies can address the alternative disposal methodologies needed to handle the banned material.

10. ISSUE: RECYCLE RETAIL PLASTIC BAGS

Monitor and participate in the implementation of the Plastic Bag Recycling Act (Public Act 95-0268). SWALCO is currently serving on the task force created by the Act and will be leading efforts to increase the recovery of plastic bags in Lake County per the requirements of the Act. SWALCO will work with the Lake County legislative delegation to assist in developing and enacting legislation to implement the recommended findings of the report that the Task Force is required to submit to the General Assembly in March 2010.

Discussion

Under the Plastic Bag Recycling Act, a Task Force has been created, and SWALCO is a member of the Task Force. SWALCO and the Task Force did implement a pilot program this past year that resulted in over 70 retail locations in Lake County that accept plastic bags and other film for recycling. By March 1, 2010 the Task Force is required to compile and submit a written report on the pilot program.

11. ISSUE: ENVIRONMENTAL FEE TRANSFER

Oppose the transfer of any state fees imposed on municipal solid waste to offset any shortfall in general fund revenues.

Discussion

The State applies two fees on waste accepted at landfills: a Subtitle D fee (this refers to the portion of the federal law known as the Resource Conservation and Recovery Act, which regulates municipal waste landfills) and a solid waste fee. The Illinois Environmental Protection Agency Bureau of Land (BOL) uses these fees for its programs. These fees are used for enforcement grants, which enable Lake County and others to inspect solid waste facilities. It is imperative that these fees stay in the BOL and not be used for other State purposes SWALCO does not support the transfer of fees to the

general fund and supports the expansion of the enforcement program to other Illinois communities.

SWALCO is reliant on our agreement with the Illinois Environmental Protection Agency for funding the disposal of the household chemical wastes we collect in our program. Securing and maintaining funding for this agreement is of the greatest importance to SWALCO.

12. ISSUE: DEPOSIT LEGISLATION

Oppose the imposition of a deposit on beverage containers. A \$0.05 or \$0.10 tax on beverage containers will negatively impact our recycling program, create a tax on residents and penalize retailers.

Discussion

Eleven states have enacted this deposit legislation. Hawaii adopted a deposit system in 2002. The remaining states adopted a deposit system prior to 1987. Generally it is aimed at reducing roadside litter by creating a financial incentive as well as recycling discarded materials. New York experienced a 30% reduction in roadside litter with their bottle bill.

In 2007 the Waste Management Recycle America recycling facility in Grayslake processed 1,275 tons of aluminum and 5,708 tons of plastics. Glass accounted for 24,820 tons or nearly 17% of the input. Aluminum remains the most valuable commodity providing up to \$1,700 per ton for processors. Even though aluminum and plastic represent just a small amount of recyclables (less than 5% by weight), further reductions in aluminum and plastic may result in higher recycling collection costs to offset the revenue lost from container deposit. SWALCO members are now eligible to receive a per ton payment. This payment is based on market conditions.

SWALCO has approved a Capacity Agreement (effective January 1, 2009) with Waste Management Recycle America that will pay SWALCO members for their recyclables based on the actual value or blended value of the recyclables. Under the Agreement, if Illinois or the federal government enacts a bottle bill, WMRA has the authority under the Agreement to assess the impact of the bottle bill on its operations and potentially alter the terms of the Agreement as it relates to the amount paid for SWALCO members' recyclables.

Deposit legislation can expand access to the recycling system to all residents, but handling of deposit containers, either through retail stores or redemption, is an increased burden from a transportation and space standpoint - such as additional trips by residents to redeem containers and space required by retailers to store deposit containers. This financial burden on retail stores may be partially offset by the fees imposed by the deposit. The deposit is an additional tax on residents when they fail to redeem their containers. Curbside recycling represents a convenient way for residents to recycle their beverage containers.

13. ISSUE: LANDSCAPE WASTE BURN BAN

The Agency will consider supporting a leaf burning ban bill, which provides for local control of burning ordinances.

Discussion

Over the last several years, SWALCO considered supporting a ban on burning leaves. Landscape waste is prohibited from being disposed of in landfills. Therefore, property owners must compost leaves at home, subscribe to a service for collection (which costs money) or burn them. Many member communities have banned or restricted the burning of leaves within their communities, while other communities have decided to not restrict the burning of leaves.

Burning leaves creates particulate emissions and causes the release of chemicals in the burning process. Many residents suffer respiratory distress as a result of this process. Leaf burning is a significant air pollution hazard and may be an increased health risk to humans. The Agency will consider supporting a leaf burning ban bill which provides for local control of burning ordinances.

A – 2. Proposed Revisions to the Draft 2009 Plan Update

ISSUE: Whether to recommend to the SWALCO Board of Directors that Section 4 of the draft 2009 Plan Update be revised as attached.

RECOMMENDATION: The Executive Director recommends that the Executive Committee approve the proposed revisions and forward the revised Draft 2009 Plan Update to the Board of Directors for consideration at its meeting on January 28, 2010.

BACKGROUND: The draft 2009 Plan Update was presented as an information item to the Lake County Public Works and Transportation Committee meeting on December 2, 2009. The attached memo provides an overview of the comments that SWALCO received that day, which included preparing revisions to the draft Plan Update for further consideration by the Committee. The next meeting of the Committee is January 6, 2010 and SWALCO will be presenting the proposed revisions to the Plan Update. The Committee is not expected to take action on the draft 2009 Plan Update until its February 3rd meeting with County Board action anticipated on February 9th.

ENCLOSED DOCUMENTS: Memo to the Public Works and Transportation Committee (dated Jan. 6, 2010) and the proposed revisions to Section 4 of the draft 2009 Plan Update.

STAFF: Walter S. Willis, Executive Director



SOLID WASTE AGENCY OF LAKE COUNTY, IL

MEMORANDUM

To: Lake County Public Works and Transportation Committee

From: Walter S. Willis, Executive Director, SWALCO

Re: Draft 2009 Plan Update

Date: January 6, 2010

At the December 2, 2009 meeting of the Public Works and Transportation Committee, the Committee members requested that SWALCO further investigate and consider amending the 2009 Plan Update as follows:

- Provide stronger and more specific language in the Plan Update regarding the process that would be implemented to evaluate and approve/disapprove a proposed disposal facility.
- Include a statement in the Plan Update that Lake County is committed to managing as much of its waste requiring final disposal as feasible within Lake County.

The Committee also asked SWALCO to evaluate whether Lake County has the legal authority to limit the amount of out-of-county waste accepted at the two privately owned and operated landfills in the County.

In response to these requests SWALCO has prepared a revised draft of Section 4 of the Plan Update (Attachment 1, with tracked changes). SWALCO also had its legal counsel prepare a memo regarding whether a unit of local government has the legal authority to limit the amount of out-of-county waste accepted at privately owned and operated landfills (Attachment 2).

Reasons for Adopting the 2009 Plan Update as Prepared by the Citizens Advisory Committee and SWALCO. SWALCO recognizes that a group of citizens has expressed concerns with certain recommendations in the Plan Update regarding final disposal options and made a presentation to the Committee at the December 2nd meeting. The intent of this memo is not to “defend” or “support” mass burn incineration or use of alternative technologies such as gasification because that would mischaracterize the purpose of the 2009 Plan Update. The 2009 Plan Update is not recommending the

development of any specific disposal facility; the Plan Update is purposefully neutral on which disposal technology should be pursued in Lake County. The Plan does provide: 1) a list of options that are viable for an urbanized county such as Lake County, and 2) a fair and rigorous public process using a science based tool (life cycle assessment) to achieve the Plan's goal of transitioning Lake County to a waste disposal system that is environmentally superior to the current disposal system.

SWALCO recommends that the Lake County Public Works and Transportation Committee adopt the 2009 Plan Update, as prepared and unanimously approved by the Citizens Advisory Committee (CAC) and the SWALCO Board of Directors, for the following reasons:

1. The 2009 Plan Update is not advocating one disposal technology over another but instead requires the use of a science based process (life cycle assessment) to evaluate a proposed disposal facility. Plan consistency is not achieved unless the proposed facility is deemed environmentally superior to the current system and until all required host agreements have been approved.
2. Lake County, with over 700,000 people, is an urban county and generates a tremendous amount of waste requiring final disposal. The County has programs and initiatives in place to continue to expand its waste reduction programs and go beyond the County's current 38% municipal waste recycling rate. In 2008, it is estimated that Lake County generated 1,351,255 tons of waste, of which 486,045 tons was recycled or composted and the remaining 865,210 tons (or 2,370 tons per day, 365 days per year) was landfilled. If Lake County is serious about disposing as much of its waste as feasible within Lake County then it should not adopt a Plan Update that makes this goal unachievable by removing viable options that other urban jurisdictions throughout the world are pursuing in place of landfilling.
3. According to State law, landfilling is the least preferred method for managing waste in Illinois. The 2009 Plan Update recognizes that landfilling, while it may be a short and intermediate term disposal solution for Lake County, is likely not a long term viable option given the County's lack of available and suitable land.
4. SWALCO does not and will not support disposal options that result in more pollution than the current system. Attached (Attachment 3) are several documents and reports regarding waste management, and in particular mass burn incineration and alternative technologies, that indicate that these technologies are viable and cleaner than our current reliance on landfilling:
 - Mass burn incineration, gasification and anaerobic digestion are all considered "renewable energy" by the U.S. government (see attached Executive Order, page 14). Displacing fossil fuel energy sources with cleaner and domestic sources of renewable energy, such as municipal waste, is a national goal and has significant implications for reducing pollution and greenhouse gases.
 - According to the USEPA, waste-to-energy recovery systems resulted in the avoidance of 17 million metric tons of carbon dioxide equivalent

(see attached study “Opportunities to Reduce Greenhouse Gas Emissions through Materials and Land Management Practices”, pages 3 and 4). The study further finds that shifting more waste away from landfilling through increased recycling and increased use of waste-to-energy recovery systems will result in greater reductions of greenhouse gases.

- According to a recent report published by the United Kingdom’s Health Protection Agency (see attached report “The Impact on Health of Emissions to Air from Municipal Waste Incinerators”), “any potential damage to the health of those living close-by is likely to be very small, if detectable.” While it may be troublesome to some to have any impact, it is unreasonable to have a goal of no environmental impact. Even recycling has environmental impacts associated with the collection, processing and remanufacturing of goods. The key question that needs to be asked is whether the proposed disposal technology is “cleaner” than the existing system? That is why the 2009 Plan Update requires that this question be answered before a project can move forward.
- At the previous Committee meeting on December 2nd handouts were provided to the Committee by SWALCO on the Los Angeles Conversion Technology Demonstration Project (which includes a life cycle assessment of conversion technologies versus landfilling) and a table from an HDR, Inc. PowerPoint presentation that compares emissions from mass burn incinerators in the U.S from 1990 to 2005. These handouts are also included in Attachment 3. Finally, SWALCO has attached a couple of recent articles regarding the renewed interest and push for waste to energy type projects. Key points include the fact that Europe is the leader in shifting from landfilling to waste to energy facilities (using all three technologies – mass burn incineration, gasification and anaerobic digestion) and recycling. Recycling can be and has proven to be compatible with waste to energy facilities. The primary reason is that these disposal technologies are more expensive than landfilling, which further enhances recycling and drives more materials away from final disposal due to the high disposal costs.

SWALCO recognizes that the Public Works and Transportation Committee has a difficult decision to make regarding the 2009 Plan Update. SWALCO encourages the Committee to focus on whether the 2009 Plan Update represents good public policy, whether it is pragmatic, and whether it provides for public involvement and scrutiny. SWALCO believes that the 2009 Plan Update that it prepared for Lake County does represent good public policy, that it is pragmatic and that it does and will provide for continued public involvement that is fully considered by elected officials and developers.

ATTACHMENT 1
REVISED SECTION 4 OF THE 2009 PLAN UPDATE

SECTION 4 RECOMMENDATIONS FOR THE 2009-2014 PLANNING PERIOD

4.1 Introduction

This section of the 2009 Plan Update contains the key policy recommendations approved by the SWALCO Board of Directors and the Lake County Board. The previous section provided information on the implementation status of the 2004 Plan Update recommendations. Many of the 2004 plan recommendations have remained the same and are included in this update; but most were modified, and/or deleted. New recommendations were also developed as part of this update. It should be noted that the Citizens Advisory Committee (CAC) was instrumental in the development of the recommendations contained in this Plan Update and that all the recommendations approved by the CAC, were also approved by the SWALCO Board of Directors and the Lake County Board. The recommendations have been organized according to the following substantive planning categories:

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- Public Information and Education
- Recycling
- Household Chemical Waste Management
- Mass Burn Incineration (new, not in 2004 Plan Update)
- Landfilling
- Solid Waste Transfer (new, not in 2004 Plan Update)
- Alternative Technologies (labeled as Emerging Technologies in 2004 Plan Update)
- Organization and Administration
- Finance and Ownership
- Legislative Initiatives
- Host Community Benefit Agreements

The 2009 Plan Update recommendations regarding final disposal are reflective of a realization that Lake County needs to start seriously considering long-term options for managing its waste requiring disposal. It is Lake County's intent to continue to manage as much Lake County waste requiring disposal as feasible within the borders of Lake County, because this is the most responsible and sustainable approach to waste management. The two remaining landfills in Lake County, the Countryside Landfill and the Zion Landfill, have approximately 9.5 years and 5 years, respectively, of remaining capacity as of January 1, 2009. The owner of the Zion Landfill, Veolia ES, is proposing an expansion that would add approximately 8 years of capacity at current waste intake levels. Given the time necessary to site, permit and construct new disposal facilities it was determined that the 2009 Plan Update needed to provide guidance to Lake County citizens, local stakeholders and the private sector on the long-term disposal options being considered by SWALCO and Lake County. One of the primary purposes of the planning process is to make sure that new facilities and/or programs are in place prior to existing facilities closing.

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4.1.1 Overview of Waste Reduction Recommendations

The waste reduction recommendations include Public Information and Education (4.2.1), Recycling (4.2.2) and Household Chemical Waste Management (4.2.3). These program areas

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represent Lake County's primary programs and initiatives to reduce the amount and toxicity of waste requiring final disposal. One of the primary recommendations is to increase Lake County's recycling and composting rate from 38% to 45% by 2014. While Lake County has made tremendous strides in increasing its diversion rate over the past 20 years since the first Plan was adopted, it must continue to enhance and develop programs, increase access to recycling options, increase participation and educate the public on how easy and important it is to divert waste from disposal. The following are the primary programs being recommended for the three main waste streams discussed in Section 2 of the Plan: residential waste, commercial waste (includes industrial and institutional sources), and construction/demolition waste.

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1. Residential Waste:

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- Most homes in Lake County have curbside recycling service and approximately 25 municipalities and three franchised townships have large (65 gallon) recycling totes for the recyclables. With such widespread access already in place, the key to growing these programs will be to constantly reinforce the education message, and continue to encourage units of local government to switch from the smaller recycling bins to the larger totes.
- Continue to encourage the establishment of volume based pricing to provide an economic incentive to recycle.
- Continue to assist units of local government (municipalities, township and Lake County) in franchising residential, commercial and multi-family collection services and include access to recycling in all such contracts.
- Identify and work with units of local government that have programs that are underperforming.
- Encourage units of local government to implement food scrap collection programs (only if food scrap composting infrastructure is available) in conjunction with ongoing landscape waste collection programs. Food scraps, at 13% by weight, represent the single largest component of waste landfilled in Illinois.

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2. Commercial Waste:

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- Continue to assist units of local government to investigate and implement commercial waste franchises that include recycling options for local businesses and multi-family residences. Highland Park's commercial franchise (effective January 1, 2009) has nearly doubled the number of businesses that recycle and that number continues to grow.
- Continue to provide waste audit assistance to interested businesses and institutions.

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3. Construction/demolition Waste:

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- Encourage the development of general construction or demolition (C&D) debris recycling facilities in Lake County. SWALCO was successful in having legislation enacted (PA 96-0611) that will make it easier for such facilities to be located in Lake County. Zoning rules will be prepared by SWALCO and shared with units of local government with zoning authority throughout Lake County.
- In companion with the development of reasonably located C&D recycling facilities, units of local government will be encouraged to pass ordinances to require the implementation of recycling programs for new construction and demolition projects. Lake County already has enacted such an ordinance.

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4.1.2 Overview of Disposal Recommendations

The disposal recommendations include those listed under Mass Burn Incineration (4.2.4), Landfilling (4.2.5), Solid Waste Transfer (4.2.6) and Alternative Technologies (4.2.7). Each of the recommended disposal options have attributes that must be fully evaluated prior to selection. Collectively, they constitute a full range of alternatives that will provide future decision-makers the broadest set of solutions possible to address the County's solid waste disposal needs. The CAC, SWALCO Board of Directors and the Lake County Board make no prejudgments on any of the options included in the plan. Before being implemented an option must meet strict environmental, economic, and equity standards. An option that is not included in this plan is unavailable for consideration. An effective solid waste program will utilize a range of solutions. Therefore, the wisest course of action is to adopt a plan that incorporates a wide set of disposal options.

Any disposal facility proposed to be developed within Lake County must be consistent with the recommendations in this 2009 Plan Update. The 2009 Plan Update has intentionally not selected a preferred disposal option, in favor of allowing the private sector and/or SWALCO and other units of local government the flexibility to propose and develop a disposal option that is superior to Lake County's current disposal method, which is totally reliant on landfilling. In order to determine if an alternate disposal option is superior it must be demonstrated, using a SWALCO approved life cycle assessment model, that the proposed disposal option will result in fewer negative environmental impacts than the current disposal option of landfilling. (Life-cycle assessment is a process to evaluate the resource consumption and environmental burdens associated with a product, process, package, or activity. The process encompasses the identification and quantification of energy and material usage, as well as environmental releases across all stages of the life cycle; the assessment of the impact of these energy and material uses and releases to the environment; and the evaluation and implementation of opportunities to effect environmental improvement. Life cycle assessment is the generally accepted tool for evaluating environmental impacts in a wide range of processes including product improvement, eco-design, and policy evaluation.)

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The life cycle assessment must include an evaluation of the following parameters:

- Net annual energy consumption
- Sulfur oxides emissions
- Nitrogen oxides emissions
- Carbon dioxide emissions

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The proposed system must be found to be superior to the current system for at least 3 of 4 parameters listed above, one of which must be carbon dioxide emissions. It is recognized that carbon dioxide emissions and other greenhouse gases (GHG) are the single greatest threat to Earth's environment due to their impact on global warming and climate change. Any proposed disposal option must therefore result in fewer carbon dioxide equivalent GHG emissions than the current system in order to be considered in Lake County. It is Lake County's intent to use its Solid Waste Management Plan, science (through the life cycle assessment tool) and an extensive public comment and consensus building process to select the next disposal option for Lake County.



The following are requirements that must be followed by any developer (either private or public) proposing to develop a new disposal facility (except for the landfill expansion option, L.3) in Lake County that is consistent with the 2009 Plan Update:

1. The proposed disposal facility must be one of the disposal options included in the 2009 Plan Update.
2. The proposed site must be demonstrated to meet all applicable Federal and State location standards.
3. The developer must enter into host agreements, prior to filing a siting application per Section 39.2 of the Illinois Environmental Protection Act, with Lake County, SWALCO and the governing body with jurisdiction over the proposed facility (if not Lake County). The developer is also strongly encouraged to assess the project's impact on adjacent and/or nearby units of local government and enter into additional host agreements, as determined by the developer. As part of the host agreement negotiations with all applicable units of local government and prior to the approval or disapproval of the host agreements, the developer must demonstrate, using a SWALCO approved life cycle assessment model, that its proposed disposal option is superior to the current system (for at least three of the four parameters, one of which must be carbon dioxide emissions). This demonstration must be provided to all interested parties and presented in a public meeting hosted by the governing authority with jurisdiction for siting. The life cycle assessment results must be made available to SWALCO (and posted on SWALCO's website) and other interested parties at least 30 days prior to the public meeting in order to provide interested parties time to evaluate and comment on the results.
4. Only if host agreements are entered into with all required parties may a developer proceed to the siting process per Section 39.2 of the Act.

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This process will ensure that elected officials and staff, local citizens and other interested parties will have an opportunity to study, evaluate and question a proposed disposal technology prior to the siting process being initiated. In turn, the process will provide a developer with an opportunity to have its project evaluated and to hear the feedback and potential concerns prior to expending the significant resources required to site a disposal facility in Lake County.

4.2 Planning Recommendations for 2009-2014

The following recommendations represent the key elements of the 2009 Plan Update. As discussed in Section 1, the recommendations regarding final disposal facilities requiring siting per Section 39.2 of the Illinois Environmental Protection Act (415 ILCS 5/39.2) are the recommendations that a proposed pollution control facility applicant must demonstrate consistency with in order to be granted approval under siting criterion 8 of Section 39.2.

4.2.1 Public Information and Education

- P.1 Identify new and support ongoing activities of SWALCO's public information and education programs to encourage waste reduction, reuse, recycling and recovery/re-buy (buying recycled products) and sustainability practices through SWALCO's websites and other publications, as well as community organizations such as PTA/PTO's, park districts, libraries, church, corporate and other community groups. The importance of buying recycled products should be emphasized when possible as this creates markets for additional materials and diverts these materials from final disposal.



- P.2 Continue to provide in-house marketing support to help publicize SWALCO technical programs, such as the household chemical waste collections and recycling programs. Identify new marketing opportunities or avenues.
- P.3 Continue to encourage SWALCO members to design, evaluate and distribute information for residents regarding various solid waste management issues, and to inform SWALCO of waste-related and environmental activities within their communities. Assist member communities in their efforts by acting as a resource and providing information and educational assistance. Support community events and local organizations by attending local events and/or providing materials regarding SWALCO's various programs and other environmental initiatives.
- P.4 Ask and encourage SWALCO members to advertise SWALCO events and programs on their websites, community newsletters, e-list bulletin announcements as well as other technologies and approaches to help provide information to their residents. Request that members provide a point of contact for assisting SWALCO's Public Information Officer and that this point of contact information be kept up-to-date.
- P.5 Develop partnerships with the business community, waste haulers, institutions, service and professional organizations, and governmental entities to expand the outreach potential for focused educational efforts.
- P.6 Continue to support and evaluate school education outreach efforts that meet Illinois Learning Standards, such as the Lake County Earth Flag Program, the Earth Flag Everyday supplemental program, the educational website, subsidized performances by environmental educators, and in-class presentations.
- P.7 Identify and utilize applicable public and school education resources to develop customized activities for Lake County.
- P.8 Continue to evaluate the communication efforts (e.g., SWALCO branding, advertising and other promotional efforts) to determine their effectiveness, and evaluate the communication efforts on a yearly basis. Consider new communication techniques and continue to build relationships within Lake County to assist in reaching education and outreach goals.
- P.9 Continue to embrace and incorporate new information technologies in SWALCO's promotional efforts (e.g., websites, email services, etc.).
- P.10 Continue to collaborate with the EduCycle Center in Grayslake, as well as other related organizations.
- P.11 Investigate opportunities for public outreach at special events (e.g. Lake County Fair). Participate in member community events such as Community Days, Open Houses and other special events.
- P.12 Act as a resource and provide technical assistance during emergency events and interruptions of service (e.g. floods, garbage strikes, post-tornado debris management).
- P.13 Develop and continue to update guidelines for proper separation of landscape waste for composting and recyclables for recycling, targeted at residential households. The goal is to reduce the contaminants that must be managed by compost facilities and recycling centers.



4.2.2 Recycling

- R.1 Maintain and expand collection of data on recycling activity in Lake County. Identify significant recycling data points that reflect changes in recycling activity in Lake County and develop programming that fosters increased diversion of recyclable materials.
- R.2 Continue to expand recycling programs to achieve a 45% recycling goal by 2014 (current estimated municipal waste recycling rate is 38%, see Table 2.8).
- R.3 Continue to support area recyclers in activities that expand their capabilities of diverting marketable materials from landfills when feasible.
- R.4 Continue to maintain and enforce the Lake County Solid Waste Hauling and Recycling Ordinance and if necessary, recommend changes be made to the Ordinance by the Lake County Board.
- R.5 Encourage all SWALCO members and Lake County townships to establish volume based pricing (i.e., programs that provide incentives to reduce the amount of waste disposed) as an option.
- R.6 Encourage all SWALCO members and Lake County townships to implement cart-based recycling programs within their residential areas.
- R.7 Assist SWALCO members and Lake County townships in franchising residential, multi-family and/or commercial collection services as a means to control costs, increase recycling, reduce the amount of greenhouse gases associated with collection services, and enhance community sustainability efforts.
- R.8 Continue to encourage all SWALCO members to adopt the model commercial and multi-family refuse and recycling enclosure ordinance.
- R.9 Identify and assist SWALCO members whose residential, commercial and/or multi-family recycling programs are underperforming or can be further optimized; conduct program evaluations and develop recommendations for improving programs. This may require SWALCO's Recycling Coordinator and Public Information Officer working together to enhance the recycling program and the marketing of the program.
- R.10 Participate in the EPA Waste Wise Program and encourage commercial and industrial establishments, institutions, governmental agencies, and other non-residential entities to participate in source reduction activities.
- R.11 Depending on availability of funds and agency priorities, continue to further the development of source reduction programs, special event and public area recycling programs, plastic bag recycling programs, compost bin distributions and residential electronics collections.
- R.12 Continue to maintain a Capacity Agreement with a qualified recycling firm (currently Waste Management Recycle America L.L.C.) to assure that sufficient capacity is



available to SWALCO members, and that SWALCO members and Lake County townships that direct material to the facility are eligible to receive a Per Ton Payment for their recyclables per the terms of the existing Intermediate Processing Facility Capacity Agreement (effective January 1, 2009 for a three year term with two, 2-year renewal options).

- R.13 Encourage SWALCO members and Lake County townships to enter into a Per Ton Payment Intergovernmental Agreement with SWALCO in order to be eligible to receive payment (Per Ton Payment) for their recyclables per the terms of the existing Capacity Agreement.
- R. 14 Encourage the development of general construction or demolition (C&D) debris recycling facilities as permitted by Section 22.38 of the Illinois Environmental Protection Act. With the enactment of Public Act 96-0611, general C&D debris recycling facilities can be located in Lake County, without having to obtain local siting approval in accordance with Section 39.2 of the Illinois Environmental Protection Act, and instead will be regulated by applicable zoning requirements. As a result, SWALCO will develop zoning guidelines for such facilities that address the location, design, operation and closure of such facilities. These guidelines will be prepared in a timely fashion and sent to all SWALCO members for their consideration, with the recommendation from SWALCO that the guidelines be included in each member's zoning ordinance. Any proposed general C&D debris recycling facility must enter into Host Community Benefit Agreements with SWALCO and the governing body with jurisdiction over the proposed facility prior to filing a siting application or zoning application, whichever is applicable. The Host Community Benefit Agreements with SWALCO and the governing body must, at a minimum, contain provisions for: 1) a guarantee of access to capacity at the facility for general C&D material generated in Lake County, 2) environmental safeguards, and 3) payment of host fees.
- R.15 Encourage SWALCO members to adopt a model C&D recycling ordinance that would require the implementation of a recycling program at new construction and/or demolition sites within their communities.
- R.16 Encourage the development of programs to increase the collection and composting of residential and commercial organic material (such as landscape waste, food scrap and livestock waste).
- R.17 Evaluate recent increases in landscape waste collection and composting costs, and determine if SWALCO needs to take any action to better control and/or reduce the costs associated with both collecting and managing the material.

4.2.3 Household Chemical Waste (HCW) Management

- H.1 Continue operating a Household Chemical Waste Collection Program consisting of both public drop-off and mobile collection events operating on a year round basis.
- H.2 Renew the existing Intergovernmental Agreement with the Illinois Environmental



Protection Agency when its term expires (April 2012). Explore modifying the Agreement to allow for SWALCO to assume ownership of the waste oil entering the Program and encourage the IEPA to use more sustainable disposal methods for certain wastes streams (i.e. latex paint).

- H.3 Encourage and support SWALCO members in the establishment of supplemental HCW programs such as waste oil collection programs (i.e. Lake Zurich and Lake Barrington Programs), Partner for Paint programs (i.e., Elia Township Highway Dept.. Program) and fluorescent lamp collection centers (i.e. Highland Park, Riverwoods and Third Lake Programs).
- H.4 Focus on efforts to reduce the volume of latex paint coming into the HCW Program by working more closely with existing latex paint recycling firms/programs such as Earth Paints Collection Systems and the Elia Township Highway Dept. Program.
- H.5 Provide funding for periodic tire collection events. Conduct these events in affiliation with the IEPA tire collection program and cosponsor with the Lake County Farm Bureau. Sponsor these events on even calendar years (2010, 2012, and 2014).
- H.6 Consider modifying the IEPA Agreement to allow servicing of Conditionally Exempt Small Quantity Generators (CESQG's) through our HCW Program as a potential revenue source. Strive to develop a database of CESQG's including a waste stream analysis (types/volumes of waste), and evaluate the interest of a third party company leasing space at SWALCO's HCW facility to manage the wastes collected from CESQG's or other sources.
- H.7 Maintain a listing of environmental contractors and disposal programs (i.e. IEPA's laboratory waste collection program) to use as a referral for business, institutions and school districts.
- H.8 Consider offering SWALCO's assistance in conducting one-day collection events for neighboring Illinois counties as another potential revenue source.
- H.9 Consider establishing one or more additional HCW satellite collection center(s) (e.g. fire station) within the next five years taking into consideration the results of the Lincolnshire-Riverwoods Fire District HCW satellite collection center.

4.2.4 Mass Burn Incineration

- M.1 With less than ten years of permitted landfill capacity in Lake County, mass burn incineration (Defined as the direct combustion of waste in a chamber using oxygen and heat. This process is distinct from the technologies, which do not directly burn the waste, discussed in the Alternative Technologies Recommendations.) should be considered as a local and sustainable solution to managing Lake County's waste. If the proposed mass burn incineration facility meets the applicable requirements of the Lake County Solid Waste Management Plan (Recommendations M.2 and M.3) it will be considered consistent with the Plan.



- M.2 SWALCO and the siting authority (the unit of local government with siting jurisdiction in accordance with Section 39.2 of the Illinois Environmental Protection Act) will continue using the three guidelines that were outlined in the 1989 Plan for evaluating mass burn incineration technology. These guidelines are: utilize proven technology; minimize emissions; and avoid large economic risks. SWALCO's and the siting authority's determination on whether the proposed facility is consistent with the Lake County Solid Waste Management Plan will be based, in part, on the applicant addressing the following questions in the plan consistency (siting criterion number 8 of Section 39.2 of the Act) portion of the siting application:
- **Facility Requirements** – What type of facilities are required as part of the technology? How many facilities are needed and of what size, including both site acreage and disposal capacity (in tons per day)?
 - **Siting** - What are the facility siting requirements? Does a suitable site exist within the County?
 - **Economics** -What are the capital, operation, and maintenance costs associated with the technology? What are the probable revenues and life cycle costs? What are the estimated tipping fees per ton and how do the estimated fees compare to current tipping fees for disposal of Lake County waste?
 - **Technical Feasibility** - Is the technology proven for a portion or all of the waste generated for disposal in Lake County? Can it provide reliable long-term management of the targeted waste stream?
 - **Ability to Implement** - Can the technology be successfully engineered? What are the potential obstacles to implementation and how will these obstacles be addressed? Can it be implemented in time to serve its intended purpose?
 - **Environmental Impacts** - What are the environmental impacts of the technology on the air, water, and land of Lake County and its surrounding neighbors? Do the air, land and water pollution control technologies proposed at the facility meet the most current applicable state of Illinois and/or federal regulations for new facilities including the Maximum Achievable Control Technology (MACT) standards and anticipated regulatory changes that may be still pending final approvals?
 - **Permitting** - What federal, state and/or local permits will be necessary for the facility to be developed and operated?
 - **Safety Issues** - What safety concerns for the worker and general public are associated with the facility and can they be adequately addressed?
 - **Health Risk Assessment** - What are the health risks and benefits associated with the technology?
 - **Financing** – How will the facility be financed and can financing be arranged?
 - **Life Cycle Assessment** – What are the life cycle environmental impacts of the proposed disposal technology compared to the current disposal system in Lake County, using the following life cycle parameters – net annual energy consumption, sulfur oxides emissions, nitrogen oxides emissions and carbon dioxide emissions?

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- M.3 Any proposed mass burn incineration facility must meet the requirements of Recommendation A.1 (Section 4.2.11, Host Community Benefit Agreements).

4.2.5 Landfilling

- L.1 Maintain existing contracts and /or negotiate new contract provisions with the three sanitary landfills serving Lake County (Countryside Landfill, Pheasant Run Landfill and



Zion Landfill) to provide for privately-owned-and-operated landfill disposal capacity for Lake County's waste requiring disposal. Such capacity guarantee should provide capacity for a portion of Lake County's waste for as long as the landfill has permitted capacity and remains an open site per the appropriate state regulations. SWALCO will consider expanding the list of landfills (located outside of Lake County) deemed to be serving Lake County if the owner of the landfill proposed for inclusion first negotiates a host agreement with SWALCO. The host agreement must provide for a capacity guarantee and payment of a host fee for each ton of Lake County waste taken to the landfill.

- L.2 Continue to implement source reduction, reuse, recycling, and composting programs to reduce dependence on landfilling.
- L.3 If one or both of the two existing landfills in Lake County (Zion Landfill and Countryside Landfill) propose an expansion onto property that is directly adjoining or within 250 feet of an existing portion of the permitted footprint of the landfill (horizontal) and/ or on top of (vertical expansion) the existing landfill's permitted airspace, and the proposed expansion meets the requirements of Recommendation A.1, the proposed expansion will be considered consistent with the Plan.
- L.4 With less than ten years of permitted landfill capacity in Lake County, a new landfill would be considered as a local solution to managing Lake County's waste. If the proposed new landfill meets the applicable requirements of the Lake County Solid Waste Management Plan (Recommendations L.5 and L.6) it will be considered consistent with the Plan.
- L.5 SWALCO and the siting authority (the unit of local government with siting jurisdiction in accordance with Section 39.2 of the Illinois Environmental Protection Act) will continue using the three guidelines that were outlined in the 1989 Plan for evaluating landfilling technology. These guidelines are: utilize proven technology; minimize emissions; and avoid large economic risks. SWALCO's and the siting authority's determination on whether the proposed facility is consistent with the Lake County Solid Waste Management Plan will be based, in part, on the applicant addressing the following questions in the plan consistency (siting criterion number 8 of Section 39.2 of the Act) portion of the siting application:
 - **Facility Requirements** – What type of facilities are required as part of the technology? How many facilities are needed and of what size, including both site acreage and disposal capacity (in tons per day)?
 - **Siting** - What are the facility siting requirements? Does a suitable site exist within the County?
 - **Economics** -What are the capital, operation, and maintenance costs associated with the technology? What are the probable revenues and life cycle costs? What are the estimated tipping fees per ton and how do the estimated fees compare to current tipping fees for disposal of Lake County waste?
 - **Technical Feasibility** - Is the technology proven for a portion or all of the waste generated for disposal in Lake County? Can it provide reliable long-term management of the targeted waste stream?



- **Ability to Implement** - Can the technology be successfully engineered? What are the potential obstacles to implementation and how will these obstacles be addressed? Can it be implemented in time to serve its intended purpose?
- **Environmental Impacts** - What are the environmental impacts of the technology on the air, water, and land of Lake County and its surrounding neighbors? Do the air, land and water pollution control technologies proposed at the facility meet the most stringent standards under applicable state of Illinois and/or federal law?
- **Permitting** - What federal, state and/or local permits will be necessary for the facility to be developed and operated?
- **Safety Issues** - What safety concerns for the worker and general public are associated with the facility and can they be adequately addressed?
- **Health Risk Assessment** - What are the health risks and benefits associated with the technology?
- **Financing** – How will the facility be financed and can financing be arranged?
- **Life Cycle Assessment** – What are the life cycle environmental impacts of the proposed disposal technology compared to the current disposal system in Lake County, using the following life cycle parameters – net annual energy consumption, sulfur oxides emissions, nitrogen oxides emissions and carbon dioxide emissions?

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- L.6 Any proposed new landfill facility must meet the requirements of Recommendation A.1 (Host Community Benefit Agreements).
- L.7 Encourage existing and new landfill owners to design and implement landfill technologies such as leachate recirculation systems to extend life expectancy, reduce long term toxicity and conserve resources when possible and environmentally appropriate.
- L.8 Encourage existing and new landfill owners to design and implement landfill gas collection and management systems that capture and utilize the maximum amount of landfill gas for energy recovery as opposed to direct flaring of some or all of the landfill gas.

4.2.6 Solid Waste Transfer

- T.1 Solid waste transfer stations, if developed in accordance with the applicable requirements of the Lake County Solid Waste Management Plan (Recommendations T.2 through T.6), will be considered consistent with the Plan. These recommendations (T.1 through T.6) are not applicable to landscape waste transfer stations or general construction and demolition debris recycling facilities as permitted under Section 22.38 of the Illinois Environmental Protection Act, but are applicable to any transfer station that meets the definition of a pollution control facility under the Act.
- T.2 A transfer station site should be large enough to provide for a facility large enough to safely and efficiently manage the anticipated volume of waste, adequate buffering and screening, stormwater management, and safe traffic flow. If the site is proposed for additional functions, including but not limited to, vehicle and equipment storage, vehicle



maintenance, office space, processing of recyclables, or processing of waste into a fuel it must be demonstrated that the site is large enough for all proposed functions.

- T.3 Transfer station operations - related to the unloading of refuse, recyclables and landscape waste, temporary storage of the materials on the tipping floor, and the loading of transfer trailers – must be located within a portion of the transfer station that can be completely enclosed. (This does not require the transfer station to keep its incoming and outgoing doors closed during operations unless proximity to a Federal Aviation Administration (FAA) regulated airport requires that doors open and close with the acceptance of waste. This does prohibit the development of a three sided and/or an open top structure as a transfer station in Lake County.) Developers are strongly encouraged to incorporate green/sustainable building principles into the design and operation of the facility and the overall site.
- T.4 Transfer station developers must include in the design and operation of the facility the transfer of recyclables and landscape waste. Transfer station developers are encouraged to evaluate the processing of the solid waste into a renewable fuel that could be transported to off-site markets.
- T.5 SWALCO and the siting authority (the unit of local government with siting jurisdiction in accordance with Section 39.2 of the Illinois Environmental Protection Act) will continue using the three guidelines that were outlined in the 1989 Plan for evaluating transfer station technology. These guidelines are: utilize proven technology; minimize emissions; and avoid large economic risks. SWALCO's and the siting authority's determination on whether the proposed facility is consistent with the Lake County Solid Waste Management Plan will be based, in part, on the applicant addressing the following questions in the plan consistency (siting criterion number 8 of Section 39.2 of the Act) portion of the siting application:
- **Facility Requirements** – What type of facilities are required as part of the technology? How many facilities are needed and of what size, including both site acreage and disposal capacity (in tons per day)?
 - **Siting** - What are the facility siting requirements? Does a suitable site exist within the County?
 - **Economics** -What are the capital, operation, and maintenance costs associated with the technology? What are the probable revenues and life cycle costs? What are the estimated tipping fees per ton and how do the estimated fees compare to current tipping fees for disposal of Lake County waste?
 - **Technical Feasibility** - Is the technology proven for a portion or all of the waste generated for disposal in Lake County? Can it provide reliable long-term management of the targeted waste stream?
 - **Ability to Implement** - Can the technology be successfully engineered? What are the potential obstacles to implementation and how will these obstacles be addressed? Can it be implemented in time to serve its intended purpose?
 - **Environmental Impacts** - What are the environmental impacts of the technology on the air, water, and land of Lake County and its surrounding neighbors? Do the air, land and water pollution control technologies proposed at the facility meet the most stringent standards under applicable state of Illinois and/or federal law?
 - **Permitting** - What federal, state and/or local permits will be necessary for the facility to be developed and operated?



- **Safety Issues** - What safety concerns for the worker and general public are associated with the facility and can they be adequately addressed?
- **Health Risk Assessment** - What are the health risks and benefits associated with the technology?
- **Financing** - How will the facility be financed and can financing be arranged?
- **Life Cycle Assessment** - What are the life cycle environmental impacts of the proposed disposal technology compared to the current disposal system in Lake County, using the following life cycle parameters – net annual energy consumption, sulfur oxides emissions, nitrogen oxides emissions and carbon dioxide emissions?

Deleted: Environmental

T.6 Any proposed transfer station facility must meet the requirements of Recommendation A.1 (Host Community Benefit Agreements).

4.2.7 Alternative Technologies

- AT.1 With less than ten years of permitted landfill capacity in Lake County, alternative technologies, which include a variety of technologies that convert waste to an energy through thermal, biological or chemical conversion (not including mass burn incineration), should be considered as a local and sustainable solution to managing Lake County's waste. If the proposed alternative technology facility meets the applicable requirements of the Lake County Solid Waste Management Plan (Recommendations AT.2 and AT.3) it will be considered consistent with the Plan.
- AT.2 SWALCO and the siting authority (the unit of local government with siting jurisdiction in accordance with Section 39.2 of the Illinois Environmental Protection Act) will continue using the three guidelines that were outlined in the 1989 Plan for evaluating alternative technologies. These guidelines are: utilize proven technology; minimize emissions; and avoid large economic risks. SWALCO's and the siting authority's determination on whether the proposed facility is consistent with the Lake County Solid Waste Management Plan will be based, in part, on the applicant addressing the following questions in the plan consistency (siting criterion number 8 of Section 39.2 of the Act) portion of the siting application:
- **Facility Requirements** – What type of facilities are required as part of the technology? How many facilities are needed and of what size, including both site acreage and disposal capacity (in tons per day)?
 - **Siting** - What are the facility siting requirements? Does a suitable site exist within the County?
 - **Economics** -What are the capital, operation, and maintenance costs associated with the technology? What are the probable revenues and life cycle costs? What are the estimated tipping fees per ton and how do the estimated fees compare to current tipping fees for the disposal of Lake County waste?
 - **Technical Feasibility** - Is the technology proven for all or a portion of the waste generated for disposal in Lake County? Can it provide reliable long-term management of the targeted waste stream?
 - **Ability to Implement** - Can the technology be successfully engineered? What are the potential obstacles to implementation and how will these obstacles be addressed? Can it be implemented in time to serve its intended purpose?



- **Environmental Impacts** - What are the environmental impacts of the technology on the air, water, and land of Lake County and its surrounding neighbors? Do the air, land and water pollution control technologies proposed at the facility meet the most current applicable state of Illinois and/or federal regulations for new facilities including the Maximum Achievable Control Technology (MACT) standards and anticipated regulatory changes that may be still pending final approvals?
- **Permitting** - What federal, state and/or local permits will be necessary for the facility to be developed and operated?
- **Safety Issues** - What safety concerns for the worker and general public are associated with the facility and can they be adequately addressed?
- **Health Risk Assessment** - What are the health risks and benefits associated with the technology?
- **Financing** – How will the facility be financed and can financing be arranged?
- **Life Cycle Assessment** – What are the life cycle environmental impacts of the proposed disposal technology compared to the current disposal system in Lake County, using the following life cycle parameters – net annual energy consumption, sulfur oxides emissions, nitrogen oxides emissions and carbon dioxide emissions?

Deleted: Environmental

AT.3 Any proposed alternative technology facility must meet the requirements of Recommendation A.1 (Host Community Benefit Agreements).

4.2.8 Organization and Administration

- O.1 Continue the coordinated county wide approach to the management and disposal of all nonhazardous waste generated within Lake County, including the management of recyclable and recoverable materials. Place increased emphasis on non-residential waste, including commercial, industrial waste and construction and demolition debris.
- O.2 SWALCO should continue providing centralized management of the plan implementation process and other municipalities currently not SWALCO members should be encouraged to join SWALCO.
- O.3 SWALCO members should assume responsibility for: (i) adopting necessary waste management ordinances, (ii) providing administrative and operational funding for SWALCO as determined by SWALCO Board of Directors and (iii) using the waste management and disposal system established by SWALCO.
- O.4 The SWALCO Board of Directors shall provide for professional staff and resources necessary to undertake all programs to implement the Solid Waste Plan. As programs are altered, it may be necessary to adjust staffing levels to implement program changes.
- O.5 Maintain the designation of one or more Materials Recovery Facility(ies) (MRF) as an official component of Lake County's waste management system and encourage all members and non-members to utilize the MRF or MRFs for recoverables collected within their municipal boundaries; continue to establish and designate other components of the waste management system as appropriate.
- O.6 Obtain input from the public in the development of solid waste policies, such as from a



citizens advisory group. Prior to adopting the next update to the Lake County Solid Waste Management Plan establish a new citizens advisory committee (CAC) to help in the preparation of a draft plan update for review and approval by the SWALCO Board of Directors and the Lake County Board.

4.2.9 Finance and Ownership

- F.1 Monitor operations of the three sanitary landfills currently under agreement with SWALCO for the provision of a given amount of privately-owned-and-operated landfill disposal capacity, secured by contract/agreement. Retain, as a long term option, the public ownership of recycling, composting and/or final disposal facilities to meet the waste/material management needs of Lake County.
- F.2 Examine and where determined appropriate, pursue all reasonably available sources of interim and long-term funding for implementing programs and facilities recommended in the Plan Update.
- F.3 SWALCO and Lake County should monitor and apply to federal, state and private sources for grants and loans to be used for capital assistance when such funding is consistent with the goals of the Plan.
- F.4 SWALCO members and non-members should be encouraged to consider other available sources of assistance grants and funds to finance and operate local recycling projects.

4.2.10 Legislative Initiatives

- I.1 Utilize the SWALCO Legislative Committee to develop an annual Legislative Policy for approval by the Board of Directors. SWALCO's legislative efforts should be coordinated with Lake County and other entities. The Legislative Policy should be consistent with the Lake County Solid Waste Management Plan as updated and amended.

4.2.11 Host Community Benefit Agreements

- A.1 Prior to filing a siting application, pursuant to Section 39.2 of the Illinois Environmental Protection Act, for a new pollution control facility or for an expansion or significant modification to an existing pollution control facility, the applicant shall first enter into Host Community Benefit Agreements with Lake County, SWALCO, and the governing body with jurisdiction over the proposed facility. In addition, the applicant may enter into additional Host Community Benefit Agreements with other appropriate units of local government, as determined by the applicant. In the event the applicant represents an existing pollution control facility with existing Host Community Benefit Agreements, the applicant shall amend each existing Host Community Agreement with each respective party prior to filing the siting application with the governing body.

The new and/or amended Host Community Benefit Agreements with Lake County and SWALCO must, at a minimum, contain provisions for: 1) a guarantee of access to capacity at the facility for Lake County's unincorporated and incorporated solid waste, 2) environmental safeguards, and 3) payment of host benefit fees.



As part of the host agreement negotiations with all applicable units of local government and prior to the approval or disapproval of the host agreements, the developer must demonstrate, using a SWALCO approved life cycle assessment model, that its proposed disposal option is superior to the current system for at least three of the four parameters (net annual energy consumption, sulfur oxides emissions, nitrogen oxides emissions and carbon dioxide emissions), one of which must be carbon dioxide emissions. This demonstration must be provided to all interested parties and presented in a public meeting hosted by the governing authority with jurisdiction for siting. The life cycle assessment results must be made available to SWALCO (and posted on SWALCO's website) and other interested parties at least 30 days prior to the public meeting in order to provide interested parties time to evaluate and comment on the results.



A – 3. Host Agreement Between Veolia ES Zion Landfill, Inc., Lake County and SWALCO

ISSUE: Whether to recommend approval of the Host Agreement to the SWALCO Board of Directors.

RECOMMENDATION: The Executive Director recommends that the Executive Committee approve the proposed Host Agreement and forward it to the Board of Directors for its consideration at the January 28, 2010 meeting. Larry Clark has also reviewed and approved of the final content of the Host Agreement.

BACKGROUND: The proposed Host Agreement is a three party agreement between Veolia, Lake County and SWALCO, and it amends the existing 1994 Disposal Agreement and addresses the proposed landfill expansion. The 2004 Lake County Solid Waste Management Plan, as amended, requires that an applicant proposing to site a pollution control facility in Lake County must first enter into host agreements with Lake County, SWALCO and the governing body (Zion, Illinois) before filing a siting application. The attached Host Agreement would fulfill this requirement. The following are the highlights of the proposed Host Agreement.

- The Host Agreement amends the existing 1994 Disposal Agreement to provide a capacity guarantee at the existing Zion Landfill for 2010 and 2011 and for additional host fee payments in 2010 (\$0.15 per ton increase) and 2011 \$0.20 per ton increase).
- The Host Agreement provides for additional host fee payments beginning in 2012 (starting at \$1.41 per ton over a larger waste stream) and for six years of disposal capacity for up to 300,000 tons per year.
- The Host Agreement allows for environmental audits and requires Veolia to maintain its Property Value Protection Plan and well monitoring program as contained in its host agreement with the City of Zion.
- This is a three party Host Agreement and must also be approved by Lake County to become effective. Lake County is scheduled to vote on the Host Agreement at its meeting on January 12, 2010.

Another important aspect of the Host Agreement is that beginning this January, the host fee payments will be made directly to Lake County instead of SWALCO. This is part of the untangling of the money we have been working toward for over a year now. SWALCO will no longer be transferring the host fee payments to the County as it has in the past.

ENCLOSED DOCUMENT: Proposed Host Agreement with Veolia.

STAFF: Walter S. Willis, Executive Director

HOST AGREEMENT BETWEEN VEOLIA ES ZION
LANDFILL, INC., AN ILLINOIS CORPORATION AND
LAKE COUNTY, ILLINOIS AND THE
SOLID WASTE AGENCY OF LAKE COUNTY, ILLINOIS

This HOST AGREEMENT (hereinafter referred to as the "Agreement") is made this ____ day of _____, 2010 among Veolia ES Zion Landfill, Inc., (hereinafter referred to as "Veolia") , Lake County, Illinois (hereinafter referred to as the "Lake County") and the Solid Waste Agency of Lake County, Illinois (hereinafter referred to as the "Agency").

WHEREAS, Veolia owns certain lands located within the City of Zion, Lake County, Illinois (hereinafter referred to as "Property");

WHEREAS, the Property is legally described in Exhibit A, attached hereto and incorporated herein; and

WHEREAS, a portion of the Property is currently used and permitted by the State of Illinois for a landfill (hereinafter referred to as "Existing Landfill"); and

WHEREAS, the Property includes approximately 26.47 acres (hereinafter referred to as "Expansion Property") which is not part of the Existing Landfill; and

WHEREAS, Veolia desires to expand the Existing Landfill vertically on a portion of the Existing Landfill and horizontally onto the Expansion Property (hereinafter referred to as "Landfill Expansion"); and

WHEREAS, Veolia intends to file with the City of Zion an application for local siting approval for the Landfill Expansion under Section 39.2 of the Illinois Environmental Protection Act (hereinafter referred to as the "Act"), and

WHEREAS, Lake County has adopted a Solid Waste Plan (hereinafter referred to as the "Plan") for the County of Lake pursuant to the Illinois Solid Waste Planning and Recycling Act (415 ILCS 1.51 *et seq*); and

WHEREAS, the Agency was formed to prepare and implement the Plan; and

WHEREAS, the Plan states that, prior to filing a siting application, an applicant for an expansion of an existing landfill shall “first enter into Host Community Benefit Agreements with Lake County, SWALCO and the governing body with jurisdiction over the proposed facility;” and

WHEREAS, Veolia, Lake County and the Agency desire to enter into this Host Agreement, consistent with the Plan; and

WHEREAS, the City of Zion is the governing body with local siting jurisdiction over the proposed facility, and on June 17, 2008, Veolia entered into an Amendment of Host City Agreement with the City of Zion, consistent with the Plan; and

WHEREAS, Lake County, through its Health Department, has entered into a delegation agreement with the Illinois Environmental Protection Agency (hereinafter referred to as the “IEPA”) for the inspection of existing and closed landfills within Lake County.

NOW, THEREFORE, in consideration of the mutual covenants contained herein and the other good and valuable consideration recited in this Agreement, the receipt and sufficiency of which are hereby acknowledged, Veolia, Lake County and the Agency agree as follows:

Section 1. Incorporation of Recitals

The above recitals are incorporated into this Agreement as though set forth herein.

Section 2. Lands Covered.

This Agreement covers the Property, which is legally described in Exhibit A, attached hereto. The Property, including the Expansion Property, is depicted in Exhibit B, attached hereto.

Section 3. Effective Date.

This Agreement shall become effective upon the signing of this Agreement (hereinafter referred to as the “Effective Date”).

Section 4. Host Benefit Fee

a. Commencing on January 1, 2012 (hereinafter referred to as the "Commencement Date"), Veolia shall pay Lake County a host benefit fee in the total sum of one dollar forty one cents (\$1.41) for each ton of solid waste permanently disposed of in the Existing Landfill and the Landfill Expansion (hereinafter referred to as "Host Benefit Fee"), provided that the Host Benefit Fee shall not apply to or be payable for the following material:

- i. Clean soil material;
- ii. Material that is used for Alternative Daily Cover or road base and consists of brick, concrete, asphalt or wood, including such material that is crushed, broken, chipped or ground (hereinafter referred to as "Alternative Use Material"), provided that: (1) for Alternative Use Material for which Veolia receives payment, Veolia shall pay a Host Benefit Fee for each ton of such material that is in excess of four thousand (4,000) tons in any calendar year; and (2) for Alternative Use Material that Veolia purchases or accepts free of charge, Veolia shall pay a Host Benefit Fee for each ton of such material that is in excess of the quantity of such material that is equal to ten percent (10%) of the total tonnage of waste and Alternative Use Material received in any calendar year.
- iii. Construction materials, including soil, sand, pipe bedding, surface water management structures, pipes, compost, mulch, clay, gravel, crushed concrete, stone and synthetic materials, used for liner, leachate drainage and collection, surface water management, gas management, and intermediate and final cover, provided that all of such materials shall be clean ("Construction Material").

Veolia may file a written request with Lake County and the Agency for approval of additional Alternative Use Material and/or Construction Material, which request Lake County and the Agency shall review and consider in good faith. Veolia's written request for such approval shall include a statement of the manner in which such additional material would have a beneficial use in the Landfill Expansion and a market value for uses other than for use within a landfill. Unless otherwise exempt from payment of the Host Benefit Fee pursuant to this Section, 4.a., those wastes that receive a Beneficial Use Determination by the IEPA under 415 ILCS 5/22.54 (enacted by Public Act 96-0489) shall not be exempt from the payment of the Host Benefit Fee. Lake County may review Veolia's books and records under Section 4.e. below for the purpose of confirming the amount of solid waste permanently

disposed in the Landfill Expansion that is not exempt from the Host Benefit Fee pursuant to this Section 4.a. A Host Benefit Fee shall not be payable to the Agency.

- b. Beginning on the first anniversary of the Commencement Date, the Host Benefit Fee shall be increased from the Host Benefit Fee of the previous year by two and one-half percent (2.50%).
- c. The fee (currently \$1.27) paid to Lake County by Veolia pursuant to Section 22.15(j) of the Act (415 ILCS 5/22.15(j)) (hereinafter referred to as the "Statutory Fee") shall be paid to the Agency in the manner as described by statute, provided that Lake County shall have first taken all necessary action to repeal its prior authorization to collect the Statutory Fee and the Agency shall have taken all necessary action to impose and collect the Statutory Fee. In the event 415 ILCS 5/15(j) is amended to provide for an increase or decrease in the Statutory Fee, the increase or decrease in the amount of fee shall have no effect upon the amount of the Host Benefit Fee paid pursuant to Paragraph a, above.
- d. The Host Benefit Fee shall be payable to Lake County on a monthly basis. Payments shall be delivered to Lake County no later than the 30th day of the month following the end of each month. Late payments shall accrue interest at the statutory rate provided in Paragraph 5/2-1303 of the Code of Civil Procedure (735 ILCS 5/2-1303)
- e. Veolia shall keep complete and accurate books and records relating to the determination of the Host Benefit Fees owed under §4 of this Agreement, in an auditable form. Veolia shall permit Lake County's designated representatives access to such books and records for inspection and photocopying, during the Landfill Expansion's normal business hours, which inspection and photocopying shall be at the expense of Lake County and the Agency and shall be no more than annually. Lake County's designated representatives shall maintain as confidential the information contained in such books and records, but shall be permitted to disclose such information to employees and consultants, which Lake County, in its reasonable discretion, deems appropriate in order to monitor the accuracy of the payments of the Host Benefit Fees in compliance with this Agreement, provided that such employees and consultants shall be subject to the obligation to keep such information confidential. In the event such inspection reveals any underpayment(s) of the Host Benefit Fee, Veolia shall promptly pay to Lake County the amount(s) of such underpayment(s), together with simple interest at the rate of nine percent (9%) per annum from the time any such Host Benefit Fees

were due and owing to Lake County, and reimburse Lake County for its costs and expenses of such inspection and, if necessary, collection, including reasonable professional and attorneys fees in connection therewith. In the event that such inspection reveals any overpayment(s) of the per ton fees, including the Host Benefit Fee and the Statutory Fee, Veolia may credit the amount of such overpayment(s) against the payments of the Host Benefit Fee and the Statutory Fee in subsequent months. Inspection of Veolia's books and records and claims for underpayment shall be made no later than three years following the year for which inspection is being made, provided that interest on any underpayment shall stop accruing one year following the year for which the inspection is being made. Claims for underpayment shall be waived if not made during said three-year period.

Section 5. Capacity Guarantee

- a. Notwithstanding that the Capacity Guarantee set forth in Section 4.06 of the Disposal Agreement between Browning-Ferris Industries of Illinois, Inc. and Solid Waste Agency of Lake County, Illinois, dated as of December 8, 1994, (hereinafter referred to as "Disposal Agreement") has been exhausted, Veolia agrees to provide to the Agency from the Effective Date to the Commencement Date disposal capacity in the Existing Landfill for Solid Waste and Special Waste originating from within the corporate boundaries of Lake County (hereinafter referred to as "Lake County Waste") in an amount up to four hundred twenty-five thousand (425,000) cubic gate yards per calendar year ("Transition Capacity Guarantee"). The Transition Capacity Guarantee shall be pro rated for the fraction of a calendar year to which the guarantee applies. If the Agency does not use the full Transition Capacity Guarantee in any calendar year or fraction thereof, the unused capacity shall be released in favor of Veolia, and the Agency shall not be entitled to use said unused capacity in subsequent years.
- b. Commencing on the date on which an operating permit is issued by the IEPA for the Landfill Expansion (hereinafter referred to as the "Permit Date"), and subject to force majeure, Veolia agrees to provide disposal capacity at the Landfill Expansion in the combined amount of 300,000 tons per year for a minimum of six (6) years after the Permit Date (hereinafter referred to as "Annual Capacity

Guarantee”). The Annual Capacity Guarantee shall be reduced on a pro rata basis if the first or last year is not a full calendar year. Furthermore, the Annual Capacity Guarantee shall be reduced proportionately if the City of Zion, through a siting condition, or the IEPA, through its permitting process, reduces the disposal capacity of the Landfill Expansion below 8,953,000 air space cubic yards.

- c. If Lake County Waste in the Landfill Expansion accounts for more than the Annual Capacity Guarantee, then the Parties agree to appropriately adjust the period of time over which the Annual Capacity Guarantee is applicable.
- d. Under any circumstances, the failure to deliver any quantity of Lake County Waste to the Landfill Expansion shall not be construed to be a breach of any obligation under this Agreement, and shall not obligate the Agency or Lake County, or their members to pay any damages, either at law, liquidated or consequential or otherwise, by reason of such failure of delivery.
- e. A Veolia engineer shall, within 60 days after the end of each calendar year, certify to the Agency and Lake County the amount of Lake County Waste and total Municipal Waste deposited at the Landfill Expansion for the prior year. Said certification shall also identify the remaining disposal capacity contained within the Landfill Expansion at the end of the calendar year. In addition, Veolia shall provide to the Agency and Lake County a copy of the capacity certification report filed by Veolia with the IEPA.

Section 6. Property Value Protection Plan

During the term of this Agreement, Veolia shall maintain the Property Value Protection Plan provision as contained in the Host City Agreement dated May 11, 1994 between Veolia and the City of Zion and as amended from time to time.

Section 7. Well Monitoring

During the term of this Agreement, Veolia shall maintain the Well Monitoring provision as contained in the Host City Agreement dated May 11, 1994 between Veolia and the City of Zion and as amended from time to time.

Section 8. Environmental Audit

At the request of Lake County or the Agency, Veolia shall prepare and certify to the Agency and/or Lake County an environmental audit pursuant to the reasonable requirements of the Agency. Such audit may be requested periodically, but no more often than one time per calendar year, as long as the Landfill Expansion remains open for the receipt of waste. This audit shall demonstrate Veolia's state of compliance with all federal, state or local environmental laws, rules or regulations applicable to the Landfill Expansion and with any conditions or requirements specified in any local siting conditions imposed by the City of Zion and shall include all supporting documents and records. In the alternative, Lake County or the Agency may perform its own periodic environmental audit no more than two times per calendar year, in which case, upon reasonable notice from Lake County or the Agency, Veolia shall provide reasonable access to the Property and all applicable documentation and records to facilitate said environmental review. Unless the Agency is aware of adverse environmental conditions at the Landfill Expansion and notifies Veolia of the same, there shall be no more than two environmental audits per calendar year, whether said audits are prepared by Veolia, Lake County or the Agency.

Section 9. Visitation of Premises

- a. During the term of this Agreement, Lake County's designated representatives (except for competitors of Veolia) shall have the right to visit the Property in the presence of a representative of Veolia if approved in advance by Veolia (which approval shall not be unreasonably withheld) and provided that such visitation shall be conducted in a manner so as to minimize interference with Veolia's performance of its obligations under this Agreement and its operation of the Property.
- b. In connection with any such visits, Lake County and the Agency shall comply, and shall cause their agents, representatives, employees or invitees to comply, with all reasonable rules and regulations adopted by Veolia, including a requirement that each Person visiting the Veolia Property shall sign a statement containing terms and conditions reasonably satisfactory to Veolia, which may require, among other things, that each Person agree to assume the risk of injury during the inspection or visit but not the risk of injury due to the intentional or negligent acts or omissions of Veolia.

- c. Sections 9.a. and 9.b. of this Agreement shall not affect the authority of the Lake County Health Department or other regulatory agencies having jurisdiction over landfill operations to conduct inspections of the Property under the terms of said department's delegation agreement with the IEPA.

Section 10. Obligations of Lake County and the Agency

As reasonably requested by Veolia, Lake County and the Agency shall assist Veolia in protecting the health, safety and welfare of its citizens by taking all reasonable steps within their power to offer technical and socio-economic advice to Veolia, where appropriate. Lake County and the Agency shall also aid in public education concerning the process for siting a pollution control facility under the Act in a manner and to the extent which Lake County and the Agency in their sole discretion, deem appropriate.

Section 11. Representations

The Parties represent that they have the requisite power, authority and legal right to enter into and perform their obligations set forth in this Agreement, and the execution, delivery and performance has been authorized by the corporate authorities thereof and constitutes a legal, valid and binding obligation of each respective Party

Section 12. Assignment

- a. Veolia commits that it will be the sole operator of the Property and will not transfer ownership of the Property or assign its rights and obligations to operate the Property, without the written approval of Lake County or the Agency, which approval shall not be unreasonably withheld. Unless Veolia retains ultimate compliance responsibility under the federal Clean Air Act, Veolia shall not transfer ownership of the gas management system for the Property (hereinafter referred to as "Gas System") or assign its rights and obligations to operate the Gas System, without the written approval of Lake County or the Agency, which approval shall not be unreasonably withheld.
- b. If Veolia decides to transfer ownership of the Property or assign its rights and obligations to operate the Property, upon written notice of said transfer request (hereinafter referred to as the "Transfer Notice"), Lake County and the Agency shall consider (a) the ability of

the transferee, both financially and operationally, to comply with the terms of this Agreement, the terms of all licenses and permits, all other applicable federal and state statutes and regulations, and local ordinances and (b) the past record of convictions or admissions of violations of the transferee (and any subsidiary or parent corporation) in the field of solid waste management and landfill gas management. Within fifteen (15) days after receipt of the Transfer Notice, Lake County and the Agency may request from Veolia such information as may be reasonably necessary to make a determination of the suitability of the transferee under (a) and (b) of this Section 12.b. The Agency and Lake County may require an additional written commitment by the transferee to assume and comply with the duties and obligations of this Agreement and any Siting Conditions. Lake County and the Agency shall have forty-five (45) days after receipt of the Transfer Notice from Veolia, or if additional information is requested by the Agency and Lake County, forty-five (45) days after receipt of such additional information, to review a proposed transfer of ownership of the Property or assignment of Veolia's rights and obligations to operate the Property. If Lake County or the Agency fails to approve or deny Veolia's request for approval within such time period, such request shall be deemed approved.

- c. If Veolia decides to transfer ownership of the Gas System or assign its rights and obligations to operate the Gas System, including ultimate compliance responsibility under the federal Clean Air Act, upon written notice of said transfer request (hereinafter referred to as the "Gas System Transfer Notice"), Lake County and the Agency shall consider (a) the ability of the transferee, both financially and operationally, to comply with the terms of this Agreement, the terms of all licenses and permits, all other applicable federal and state statutes and regulations, and local ordinances and (b) the past record of convictions or admissions of violations of the transferee (and any subsidiary or parent corporation) in the field of solid waste management and landfill gas management. Within fifteen (15) days after receipt of the Gas System Transfer Notice, Lake County and the Agency shall request from Veolia such information as shall be reasonably necessary to make a determination of the suitability of the transferee under (a) and (b) of this Section 12.c. The Agency and Lake County may require an additional written commitment by the transferee to assume and comply with the duties and obligations of

this Agreement and any Siting Conditions that are relevant to the operations of the Gas System. Lake County and the Agency shall have forty-five (45) days after receipt of the Gas System Transfer Notice from Veolia, or if additional information is requested by the Agency and Lake County, forty-five (45) days after receipt of such additional information, to review a proposed transfer of ownership of the Gas System or assignment of Veolia's rights and obligations to operate the Gas System. If Lake County or the Agency fails to approve or deny Veolia's request for approval within the time period set forth above, such request shall be deemed approved.

- d. Subsections a., b. and c. of this Section 12 shall not apply to the operations of Site 1, Phase A, and Site 1, Phase B, of the Veolia Property, which phases remain under the operation of Browning-Ferris Industries of Illinois, Inc. Site 1, Phase A, and Site 1, Phase B, are depicted in Exhibit C, attached hereto.

Section 13. Consistency With the Plan

Lake County and the Agency agree and acknowledge that the Landfill Expansion is currently consistent with the Plan. Lake County and the Agency agree to make this representation in regard to Veolia's proposal for the Landfill Expansion with respect to consistency with the Plan under the siting criterion set forth in 415 ILCS 5/39.2(a)(viii). Lake County and the Agency agree that they will not amend the Plan in a manner that would be inconsistent with said representation prior to the earlier of the date that is 180 days after the date of this Agreement, which is the date first above written, or the date which is the day after Veolia files with the City of Zion under Section 39.2 of the Act an application for local siting approval for the Landfill Expansion.

Section 14. Enforcement

The Agency, Lake County and Veolia agree that each of them shall have the rights available in law or equity to enforce the terms of this Agreement in Lake County Circuit Court. However, prior to commencing such action, a party agrees to give the complained-against party thirty (30) days written notice of any non-compliance alleged to constitute a violation of this Agreement. In return, within fifteen (15) days after receipt of such notice, the complained-against party agrees to inform the complaining party in writing of specific defenses which it asserts to the alleged

violation. The complained-against party shall have the right to correct such violation within the thirty (30) day period, provided, however, that if regulatory review and approval are necessary to correct such violation, and Veolia diligently pursues such regulatory review and approval, the time to commence correction of the violation shall include the time reasonably necessary to prepare an application for regulatory approval and the time for regulatory review. Time periods herein shall not include weekends or holidays

Section 15. Veolia Responsibilities

- a. Veolia agrees to accept and properly dispose of Lake County Waste at the Landfill Expansion site, and shall maintain the Landfill Expansion in such a manner as to meet the Annual Capacity Guarantee.
- b. Veolia shall comply with all applicable laws, regulations and permits issued thereunder in connection with the operation of the Property, including all law, regulations and permits relating to the receipt of hazardous waste. Veolia agrees that it will not request permits from IEPA for the receipt of hazardous waste to be knowingly deposited in the Landfill Expansion.

Section 16. Rejection Rights

This Agreement shall not affect or diminish the right of Veolia to reject, in accordance with its policies, procedures, agreements, rules and regulations, deliveries of waste, including Lake County Waste.

Section 17. Term

Unless sooner terminated, this Agreement shall continue in effect: (1) as long as disposal capacity remains in the Existing Landfill; (2) during the pendency of an application for local siting approval for the Landfill Expansion pursuant to Section 39.2 of the Act, the appeal period thereof, and within three (3) years after any such approval; (3) during the pendency of a request for a development or operational permit from the IEPA for the Landfill Expansion, or the appeal period thereof; or (4) as long as capacity remains in the Landfill Expansion. If none of the foregoing are applicable, Veolia may terminate this Agreement by sending a notice of termination to the Agency and Lake County.

Section 18. Indemnification

- a. Veolia agrees to protect, indemnify and hold harmless the Agency, Lake County, their members, employees or agents (hereinafter referred to as "Indemnified Parties") from and against all liabilities, actions, damages, claims, demands, judgments, losses, costs, expenses or suits, and reasonable attorneys' fees, and shall defend the Indemnified Parties, including appeals, for personal injury to, or death of, any person or persons, or for loss or damage to property arising out of the negligence, willful misconduct or breach of this Agreement by Veolia. Veolia is not, however, obligated to protect, indemnify or hold harmless any Indemnified Party for loss or claim resulting from breach of this Agreement by, or the negligence or willful misconduct of, any Indemnified Party. Veolia's aforesaid indemnity is for the exclusive benefit of the Indemnified Parties and in no event shall such indemnity inure to the benefit of any third party. This indemnity shall survive the termination of this Agreement but no claims for indemnification shall be made more than thirty days after the Indemnified Parties, or any of them, have formal notice of a claim by service of process.
- b. The Agency and Lake County agree to protect, indemnify and hold harmless Veolia, its partners and affiliates, employees or agents ("Veolia Indemnified Parties") from and against all liabilities, actions, damages, claims, demands, judgments, losses, costs, expenses or suits, and reasonable attorneys' fees, and shall defend the Veolia Indemnified Parties, including appeals, for personal injury to, or death of, any person or persons, or for loss or damage to property arising out of the negligence, willful misconduct or breach of this Agreement by the Agency or Lake County. The Agency and Lake County are not, however, obligated to protect, indemnify or hold harmless any Veolia Indemnified Party for loss or claim resulting from breach of this Agreement by or the negligence or willful misconduct of any Veolia Indemnified Party. The Agency and Lake County's aforesaid indemnity is for the exclusive benefit of the Veolia Indemnified Parties and in no event shall such indemnity inure to the benefit of any third party. This indemnity shall survive the termination of this Agreement but no claims for indemnification shall be made more than thirty days after the Veolia Indemnified Parties, or any of them, have formal notice of a claim by service of process.

Section 19. Insurance.

Veolia shall obtain the following minimum insurance: (a) commercial general liability insurance, on a comprehensive, broad form policy, covering all activities conducted or to be conducted by Veolia on or from the Existing Landfill or Landfill Expansion, including contractual liability coverage for Veolia's indemnification obligations hereunder, premises coverage, completed operations coverage, owned and non-owned vehicles and equipment coverage, contractors protective coverage, and waiver of subrogation as against the Agency and the County (or their members, employees or agents); and (b) pollution legal liability insurance covering bodily injury and property damage liability arising out of the actual or threatened release of contaminants from the Existing Landfill or Landfill Expansion, and covering the costs of remedial action for any contaminants which have been or are threatened to be released from the Existing Landfill or Landfill Expansion. To the extent permitted by law, all or any part of any required insurance may be provided under a plan of self-insurance. Under all coverages the Agency and the County, their employees and agents shall be named as additional insured by endorsement. Limits of liability for the coverage shall not be less than \$2,000,000.00 per occurrence and \$6,000,000.00 annual aggregate. Coverage here required shall be maintained from the effective date of this Agreement until certification that the post-closure period has terminated. Veolia shall cause the Agency and the County to be provided with certificates of insurance evidencing the coverages stated herein, which certificates shall prohibit cancellation of the policies or any significant alteration of the coverages, except upon thirty days written notice to the Agency and the County, and which certificates shall state the Agency's and the County's additional insured status. The Agency or the County may, upon written request to Veolia, obtain a complete copy of any applicable policies. This Section shall survive the termination of this Agreement.

Section 20. Notices

All notices, demands, requests and other communications hereunder shall be deemed sufficient and properly given if in writing and delivered in person to the following addresses or sent by certified mail, postage prepaid, return receipt requested, at such addresses; provided, if such notices, demands, requests or other communications are sent by mail, they shall be deemed as

given on the third day following such mailing which is not a Saturday, Sunday or day upon which the U.S. Postal Service does not deliver mail.

a. If to the Agency:

Executive Director
Solid Waste Agency of Lake County, Illinois
1311 North Estes Street
Gurnee, IL 60031

With copy to:

Larry M. Clark
Attorney at Law
700 North Lake Street, Suite 200
Mundelein, IL 60060

b. If to the County:

Lake County Administrator
18 North County Street, 9th Floor
Waukegan, IL 60085

With copy to:

Lake County State's Attorney
18 North County Street, Fourth Floor
Waukegan, IL 60085

c. If to Veolia:

Veolia ES Zion Landfill
c/o Landfill Manager
701 Green Bay Road
Zion, IL 60099

With copies to:

Michael K. Slattery
Senior VP and General Counsel
Veolia Environmental Services North America Corp.
200 E. Randolph St., Suite 7900
Chicago, IL 60601

And

Gerald P. Callaghan
Freeborn & Peters LLP
311 S. Wacker Drive
Suite 3000
Chicago, IL 60606

Such notices shall not be required for routine communications or payments by the Parties.

Section 21. Severability

In the event that any provision of this Agreement shall, for any reason, be determined to be invalid, illegal or unenforceable in any respect, the parties hereto shall negotiate in good faith and agree to such amendments, modifications or supplements of or to this Agreement or such other appropriate actions as shall, to the maximum extent practicable in light of such determination, implement and give effect to the provisions of this Agreement, as so amended, modified, supplemented or otherwise affected by such action.

Section 22. Successors and Assigns

This Agreement shall be binding upon and inure to the benefit of the respective successors, permitted assigns, administrators and trustees of the respective Parties.

Section 23. Covenants Run With The Land

Upon issuance by the IEPA of an operating permit for the Landfill Expansion, the Parties agree that the covenants, agreements and understandings contained in this Agreement, including without limitation the obligation to pay the Host Benefit Fee, touch and concern the Expansion Property, and that such covenants, agreements, and understandings shall run with the property, and Veolia agrees that Lake County or the Agency may prepare, and Veolia shall promptly execute duplicate originals of an instrument, in recordable form, which will constitute a memorandum of this Agreement, attaching an executed copy of this Agreement as an exhibit, and record such memorandum in the Office of the Lake County, Illinois Recorder of Deeds.

Section 24. Replacement of Disposal Agreement.

The Disposal Agreement shall remain in effect until the Commencement Date, provided that Veolia shall pay Lake County, not the Agency, the following additional amounts under the

Disposal Agreement ("Additional Amounts"): (a) for each ton of Solid Waste and Special Waste received during calendar year 2010 for which Veolia pays the Affected Area Compensation Fee under the Disposal Agreement, Veolia shall pay Lake County the additional amount of fifteen cents (\$0.15); and (b) for each ton of Solid Waste and Special Waste received during calendar year 2011 for which Veolia pays the Affected Area Compensation Fee under the Disposal Agreement, Veolia shall pay Lake County the additional amount of twenty cents (\$0.20). The Additional Amounts for 2010 and 2011 are not cumulative and shall be added only to the Affected Area Compensation Fee otherwise due for the specific calendar year under the Disposal Agreement. The Additional Amounts shall be paid monthly consistent with the procedure for payment of the Affected Area Compensation Fee under the Disposal Agreement. After the Effective Date, Veolia shall not pay to the Agency the Affected Area Compensation under the Disposal Agreement or the Additional Amounts under this Agreement but shall make such payments to Lake County. The Disposal Agreement shall automatically terminate on the Commencement Date. The Agency and Lake County agree that until the Disposal Agreement is terminated Veolia shall continue to pay Affected Area Compensation Fees and the Additional Amounts to Lake County for the same categories of Solid Waste and Special Waste for which Veolia has paid the Agency in the past. Lake County and the Agency agree that Veolia's prior payments of Affected Area Compensation Fees to the Agency satisfy Veolia's financial obligations under the Disposal Agreement up to the Effective Date and that Veolia's payments of Affected Area Compensation Fees and the Additional Amounts to Lake County after the Effective Date will satisfy Veolia's financial obligations under the Disposal Agreement until the Commencement Date.

Section 25. Reimbursement of Fees.

The Parties to this Agreement agree that the payment of the Host Benefit Fee will be made by Veolia based on the expectation that Veolia will receive all approvals that are necessary for the Landfill Expansion. In the event that all approvals are not received by Veolia for the Landfill Expansion, Lake County agrees to and shall reimburse Veolia for the difference between the Host Benefit Fees paid under this Agreement and the sum of the Affected Area Compensation Fees and the Additional Amounts that would have been paid under the Disposal Agreement if the Disposal Agreement had remained in effect after the Commencement Date. Notwithstanding the

foregoing, if Veolia terminates this Agreement pursuant to Section 17, except if the reason for termination is that there is no longer capacity in the Landfill Expansion, Veolia shall be entitled to receive reimbursement from Lake County.

IN WITNESS WHEREOF, Veolia, Lake County and the Agency have caused this Agreement to be executed in their respective names, have caused their respective corporate seals to be hereto affixed, and have caused this Agreement to be attested, all by their duly authorized officers and representatives, and Veolia, Lake County and the Agency have caused this Agreement to be dated as of the date and year first written above.

SOLID WASTE AGENCY OF LAKE
COUNTY, ILLINOIS

By: _____

Attest:

Secretary

LAKE COUNTY, ILLINOIS

By: _____

Attest:

County Clerk

VEOLIA ES ZION LANDFILL, INC.

By: _____

Attest:

Exhibit A

Exhibit B



PROJECT LOCATION



Aerial Photo From Google Earth - 2007 Europa Technologies Image NASA, 2007 Navteq

0 ft 1,300 ft



ZION LANDFILL SITE 2 EAST EXPANSION HYDROGEOLOGIC INVESTIGATION

**FIGURE 2.2-2
SITE LOCATION MAP**

APPROVED BY: MNF | PROJ. NO.: 122150 | DATE: JULY 2009

Exhibit C

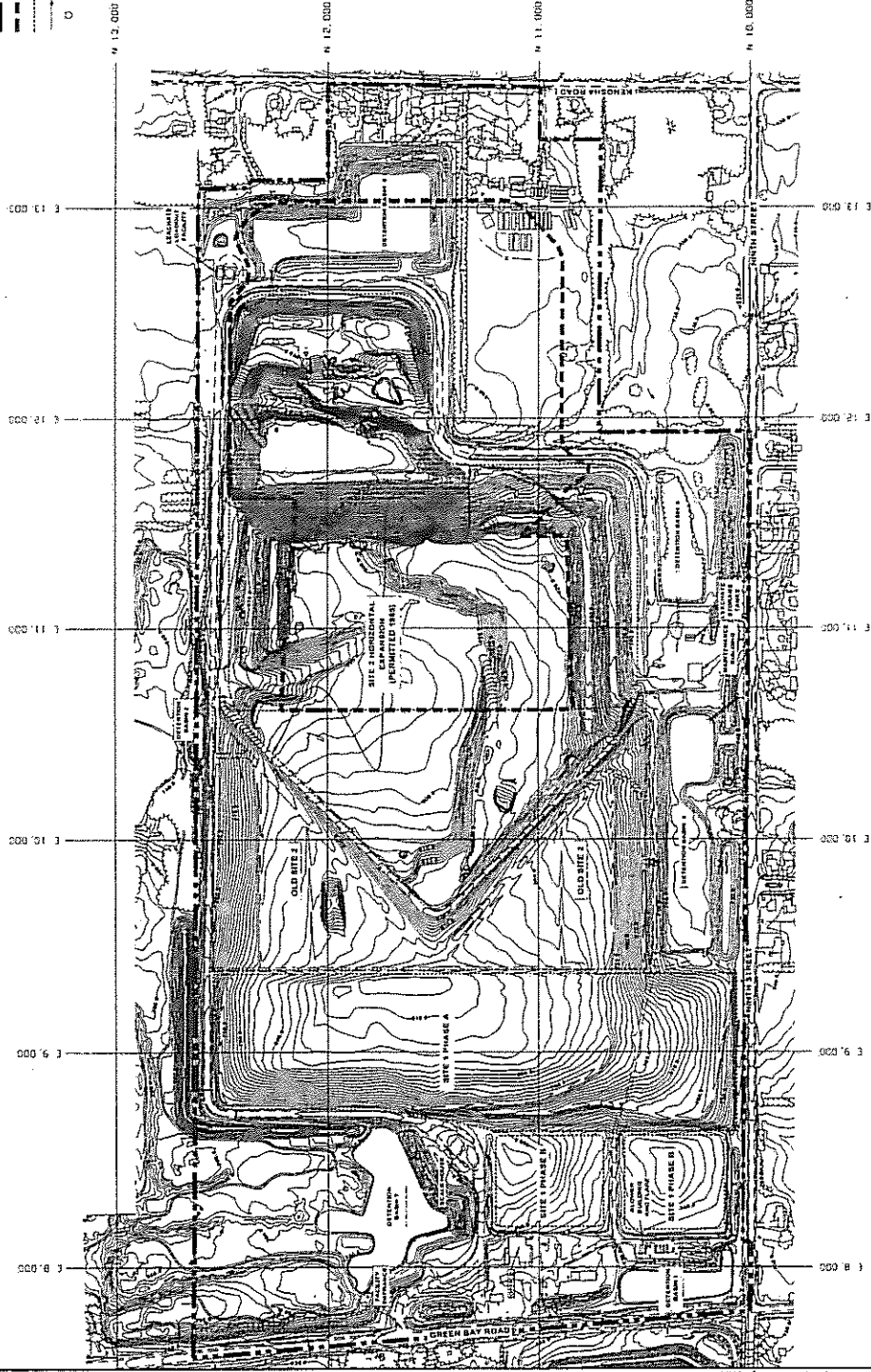


LEGEND

- APPROXIMATE PROPOSED FACILITY BOUNDARY
- PROPOSED EXPANSION WASTE AREA
- EXISTING TREATED UNIT OF WASTE AREAS
- EXISTING FENCE
- ALLEGATION
- MANHOLE

NOTES

1. EXISTING CONTOURS EXTRACTED FROM SITE AERIAL TOPOGRAPHIC SURVEY BY MARINE CORPUSION ON APRIL 16, 2007.
2. FOR CLARITY, NOT ALL SITE FEATURES MAY BE SHOWN.
3. CURRENT TOPOGRAPHY MAY DIFFER FROM THAT SHOWN.
4. THE PROPOSED FACILITY BOUNDARY IS APPROXIMATELY 200 FEET WIDE.
5. THE PROPOSED EXPANSION WASTE AREA IS APPROXIMATELY 4.5 ACRES (2.5 ACRES HORIZONTAL, 2.0 ACRES VERTICAL, EXPANSION).



VEOLIA ENVIRONMENTAL SERVICES		Shaw Shaw Environmental, Inc.		VEOLIA E.S. ZION LANDFILL-SITE 2 EAST EXPANSION CITY OF ZION, ILLINOIS		PROJ. NO. 122150	DATE JUNE 2008
				EXISTING FACILITY TOPOGRAPHY		DESIGNED BY: NDS	DRAWING NO. D3
						CHECKED BY: NDS	3 OF 22 SHEETS
						APPROVED BY: DAM	

A – 4. Host Agreement Between Republic Services and SWALCO

ISSUE: Whether to recommend approval of the Host Agreement to the SWALCO Board of Directors.

RECOMMENDATION: The Executive Director recommends that the Executive Committee approve the proposed Host Agreement and forward it to the Board of Directors for its consideration at the January 28, 2010 meeting. Larry Clark has also reviewed and approved of the final content of the Host Agreement.

BACKGROUND: The proposed Host Agreement is very similar to the existing agreement SWALCO has with WMI's Pheasant Run Landfill. It provides for payment of fees to SWALCO to compensate for the loss of fees associated with exporting SWALCO/Lake County waste out of Lake County. When our waste is exported we can no longer collect the local surcharge fee of \$1.27 per ton which is the primary funding source for SWALCO and the County Health Department's solid waste inspection program. Republic approached SWALCO about entering into such an agreement about a year ago. Because Republic has an interest in expanding its collection operations in Lake County (currently ARC Disposal, the local Republic hauler, has numerous commercial accounts but no residential or commercial franchise accounts in the County) it expressed a willingness to compensate SWALCO for waste it exports to one of 4 potential landfills pursuant to a collection contract by a SWALCO member. SWALCO appreciates Republic's proactive position regarding the proposed Host Agreement.

The following are the highlights of the proposed Host Agreement.

- For each ton of waste that a SWALCO Member directs to one of the 4 Republic landfills listed in the Agreement, SWALCO will receive a host fee of \$1.27 per ton. This is the same amount as the local surcharge authorized by state law. As a result, if a SWALCO member enters into a residential or commercial franchise contract with Republic (ARC Disposal), and the waste is exported to a Republic landfill, SWALCO will receive the \$1.27 per ton and therefore not lose revenue due to waste being exported out of Lake County.
- There is a capacity guarantee at the 4 landfills of 100,000 tons per year for 10 years. The term of the Host Agreement runs for as long as there is disposal capacity in the landfills.
- The Host Agreement allows for SWALCO to conduct environmental audits of each landfill up to once every three years.

ENCLOSED DOCUMENT: Proposed Host Agreement with Republic.

STAFF: Walter S. Willis, Executive Director

HOST AGREEMENT FOR
THE SOLID WASTE AGENCY OF LAKE COUNTY, ILLINOIS

This HOST AGREEMENT (hereinafter referred to as the "Agreement") is made this ____ day of _____, 2009 among American Disposal Services of Illinois, Inc. ("ADS"), Lee County Landfill, Inc. ("LCF"), Republic Services of Wisconsin, Limited Partnership ("RSW"), and Newton County Landfill Partnership ("NCLP, and collectively with ADS, LCF and RSW, "Contractors") and the Solid Waste Agency of Lake County, Illinois (the "Agency").

WHEREAS, ADS operates the Livingston County Landfill, LCF operates the Lee County Landfill, RSW operates the Mallard Ridge Landfill, and NCLP operates the Newton County Landfill (collectively, the "Landfills" and each a "Landfill"); and

WHEREAS, the Agency has prepared and Lake County has adopted a Solid Waste Management Plan (hereinafter referred to as the "Plan") for the County of Lake pursuant to the Illinois Solid Waste Planning and Recycling Act (415 ILCS 1.51 *et seq*); and

WHEREAS, the Agency has been formed to prepare and implement the Plan; and

WHEREAS, the Plan provides that the Agency may enter into contracts for disposal capacity for its members' solid waste, for environmental safeguards and for the receipt of a host benefit fee; and

WHEREAS, Contractors and the Agency desire to enter into this Agreement for the purpose of providing disposal capacity, environmental safeguards and the receipt of host benefit fees for the Agency's members in compliance with the Lake County Solid Waste Plan.

NOW, THEREFORE, in consideration of the mutual covenants contained herein and the other good and valuable consideration recited in this Agreement, the receipt and sufficiency of which are hereby acknowledged, Contractors and the Agency agree as follows:

Section 1. Incorporation of Recitals

The above recitals are incorporated into this Agreement as though set forth herein.

Section 2. Lands Covered

This Agreement covers the property legally described in Exhibit A-1 as attached hereto and as depicted in the drawing attached as Exhibit A-2.

Section 3. Effective Date

This Agreement shall become effective upon the signing of this Agreement.

Section 4. Host Benefit Fee

- a. Contractors shall pay to the Agency during the term of this Agreement a Host Benefit Fee in the amount of \$1.27 for each ton of Waste directed to the Landfills by a member of the Agency. "Waste" means all non-hazardous waste accepted at a Landfill for which a Contractor receives a tipping fee (or would have normally received a tipping fee in an arm's length business transaction). "Waste" does not include Unacceptable Waste (defined below). For the purpose of this Agreement, a member of the Agency will have deemed to have directed Waste to a Landfill if they have entered into a contract for the collection, transfer and/or ultimate disposal of material into an Agency approved landfill, and such arrangement is confirmed in writing to the applicable Contractor.

"Unacceptable Waste" means any hazardous materials, wastes or substances; toxic substances, wastes or pollutants; contaminants; pollutants; infectious wastes; medical wastes; or radioactive wastes, each as defined by applicable federal, state or local laws or regulations.

- b. The Host Benefit Fee to the Agency shall be adjusted upward if the State of Illinois permits an increase in the fees that the Agency may collect pursuant to Section 22.15(j) of the Illinois Environmental Protection Act (415 ILCS 5/22.15(j)) (the "Statute"). The upward adjustment shall be an amount equal to the increase permitted under the Statute, as it may be revised from time to time.
- c. The Host Benefit Fee shall be payable to the Agency on a quarterly basis. Payments must be received by the Agency no later than the 30th day of the month following the end of each quarter. The Host Benefit Fee payment shall be accompanied with supporting documentation demonstrating how the Fee was calculated based on the tonnage received at the Landfills, and the parties agree that they shall be reasonable in determining what

documentation is necessary and appropriate for Contractors to provide. Late payments shall accrue interest at the statutory rate provided in the Illinois Code of Civil Procedure (735 ILCS 5/2-1303).

- d. The Agency shall have the right to review and audit all records and receipts of Contractors specifically related to this Agreement upon reasonable notice. All costs of the audit shall be borne by the Agency unless the audit establishes that the Host Benefit Fee has been underpaid by 5% or more, in which case Contractors shall be responsible for the payment of the audit, the amount underpaid and interest at the rate described above.

Section 5. Capacity Guarantee

- a. Contractors agree to provide a total disposal capacity at the Landfills for Municipal Waste (as defined in 415 ILCS 5/3.290) originating from within the corporate boundaries of Lake County, Illinois in the minimum amount of 100,000 tons per year for a period of 10 years from the Effective Date of this Agreement (the "Capacity Guarantee"). The annual total shall be reduced upon a pro rata basis if the first or last year after the Effective Date consists of less than 12 months. This capacity guarantee shall not be construed to constitute an obligation on the part of Agency, or their members, nor a guarantee on the part of the Agency to deliver any minimum amount of Waste to the Landfills during the Term of this Agreement.
- b. If the Waste deposited in the Landfills originating from Lake County, Illinois accounts for more than 100,000 tons per year, then the parties agree to appropriately adjust the period of time over which the Capacity Guarantee is applicable.
- c. Under any circumstances, the failure to deliver any quantity of Waste to the Landfills shall not be construed to be a breach of any obligation under this Agreement, and shall not obligate the Agency, or their members to pay any damages, either at law, liquidated or consequential or otherwise, by reason of such failure of delivery
- e. The engineer of each Landfill shall, within 60 days of the end of each calendar year, certify to the Agency the amount of all Waste, including Lake County member directed Waste, that was deposited at such Landfill for the prior year. Said certification shall also demonstrate that the remaining disposal capacity contained within the Landfill is

sufficient to satisfy the Capacity Guarantee. Said certification shall be in a form similar to that provided to the Illinois Environmental Protection Agency for use in the IEPA's annual capacity report for Illinois landfills.

- f. If any Contractor expands a Landfill, such Contractor agrees to notify the Agency in a timely manner and the parties agree to negotiate in good faith a new or revised Agreement on terms mutually acceptable to the parties.

Section 6. Environmental Audit

At the request of the Agency, Contractors shall prepare and certify to the Agency an environmental audit pursuant to the direction of the Agency. The scope of the audit will be consistent with the guidelines developed by SWALCO entitled "SWALCO Landfill Self-Audit Submittal Checklist for 2006 and 2007" (the "SWALCO Guidelines"), which are attached as Exhibit B to this Agreement. The parties may modify the SWALCO Guidelines if they desire provided that both parties agree in writing to such modifications. Such audit may be requested periodically, but no more often than one time per every three calendar years, as long as the applicable Landfill remains open for the receipt of waste. This audit shall demonstrate Contractors' compliance with all federal, State or local environmental laws, rules or regulations applicable to the Landfills and shall include supporting documentation and records. In the alternative if the Agency decides to perform its own periodic (up to once per year at each Landfill) environmental audit, Contractors shall supply reasonable access to each Landfill property and all applicable documentation and records to facilitate said environmental audit.

Section 7. Ban On Hazardous Waste

Contractors shall not and shall have no obligation to accept, treat, or dispose of any solid waste at any Landfill if such solid waste is or contains: (a) regulated levels of hazardous waste or potentially infectious waste as defined by the Illinois Environmental Protection Act, 415 ILCS 5/1 *et seq* or regulations adopted thereunder; (b) regulated levels of polychlorinated biphenyls as defined by the Toxic Substances Control Act, 15 U.S.C. 2601-2629 and implementing regulations; (c) radioactive waste or low-level radioactive waste as defined by the Atomic Energy Act, U.S.C. 2011, *et seq.* or the Illinois Low-Level Radioactive Waste Management Act., 420 ILCS 20/1, *et seq.* or the implementing regulations of either; or (d) any other materials that

are not permitted to be disposed of at a Landfill pursuant to applicable law or the permits for the applicable Landfill.

Section 8. Visitation of Premises

- a. During the term of this Agreement, the Agency and their representatives and invitees (except for competitors of the Contractor as determined in Contractor's sole discretion), and representatives of regulatory agencies shall have the right to visit a Landfill in the presence of a representative of the applicable Contractor if approved in advance by the applicable Contractor (which approval shall not be unreasonably withheld except that the applicable Contractor shall not be deemed to be unreasonably withholding consent for a party that the applicable Contractor believes is a competitor of Contractor) and provided that such visitation shall be conducted in a manner so as to minimize interference with the applicable Contractor's performance of its obligations under this Agreement and its operation of the Landfills.
- b. In connection with any such visits, the Agency shall comply, and shall cause its agents, representatives, employees or invitees to comply, with all reasonable rules and regulations adopted by Contractors, including a requirement that each Person visiting the subject property shall sign a statement containing terms and conditions reasonably satisfactory to the applicable Contractor, which may require, among other things, that each Person agree to assume the risk of injury during the inspection or visit but not the risk of injury due to the intentional or negligent acts or omissions of Contractors.

Section 9. Representations

Each Contractor and the Agency represents that it has the requisite power, authority and legal right to enter into and perform its obligations set forth in this Agreement, and the execution, delivery and performance has been authorized by the corporate authorities thereof and constitutes a legal, valid and binding obligation of each respective party.

Section 10. Assignment

This Agreement shall not be assigned by any of the parties without the prior written consent of the other parties, however, Contractors may assign this Agreement without such written consent to an affiliate upon execution and delivery to the County and the Agency.

Section 11. Compliance with Laws

Contractors shall comply with all laws, regulations and permits issued thereunder in connection with the Landfills.

Section 12. Enforcement

The Agency and each Contractor agree that each of them shall have the rights available in law or equity to enforce the terms of this Agreement in Lake County Circuit Court, Waukegan, Illinois. However, prior to commencing such action, a party agrees to give the complained-against party ten (10) days written notice of any non-compliance alleged to constitute a violation of this Agreement. In return, within five (5) days after receipt of such notice, the complained-against party agrees to inform the complaining party in writing of all specific defenses which it asserts to the alleged violation. The complained-against party shall have the right to correct such violation within the ten (10) day period, or within such time as the parties may agree in writing. Time periods herein shall not include weekends or holidays

Section 13. Contractors' Responsibilities

- a. Each Contractor agrees to accept and properly dispose of waste generated within the corporate limits of Lake County at the Landfills, and shall maintain such site(s) in such a manner as to meet its Capacity Guarantee.
- b. Each Contractor shall operate the Landfills or any expansion thereto in compliance with all applicable federal, state, and local laws, rules and regulations with respect to the Landfills' respective operations and closure, including post-closure requirements or regulations.
- c. Each applicable Contractor shall assume ownership and all rights, obligations, title and interest to any solid waste delivered and accepted for disposal at the Landfills.

Section 14. Rejection Rights

This Agreement shall not affect or diminish the right of Contractors to reject, in accordance with its policies, rules and regulations, deliveries of Unacceptable Waste, including waste originating within the corporate boundaries of Lake County, provided that Contractors shall not have the right to reject such waste based solely upon the identity of the hauler.

Section 15. Term

Unless sooner terminated, this Agreement shall continue in effect as long as disposal capacity remains in the Landfills.

Section 16. Indemnification

- a. Each Contractor agrees to protect, indemnify and hold harmless the Agency, its members, employees or agents (hereinafter referred to as "Indemnified Parties") from and against all liabilities, actions, damages, claims, demands, judgments, losses, costs, expenses or suits, and reasonable attorneys' fees, and shall defend the Indemnified Parties, including appeals, for personal injury to, or death of, any person or persons, for loss or damage to property arising out of the negligent acts or omissions of such Contractor in the performance (or nonperformance) of their obligations under this Agreement, or from an enforcement action filed by any public entity, whether it be federal, state or local, against the Contractor(s) arising out of the Contractors' operation of the Landfill(s) or the receipt of Waste thereof (provided, however, that this indemnity does not extend to the receipt of Unacceptable Waste from within the Agency at the Landfill(s)). No Contractor is obligated to protect, indemnify or hold harmless any Indemnified Party for loss or claim resulting from performance (or nonperformance) of such Indemnified Party's obligations under this Agreement or the negligence or willful misconduct of any Indemnified party. Each Contractor's aforesaid indemnity is for the exclusive benefit of the Indemnified Parties and in no event shall such indemnity inure to the benefit of any third party. This indemnity shall survive the termination of this Agreement.
- b. The Agency agrees to protect, indemnify and hold harmless Contractors, their partners and affiliates, employees or agents ("Contractor Indemnified Parties") from and against all liabilities, actions, damages, claims, demands, judgments, losses, costs, expenses or

suits, and reasonable attorneys' fees, and shall defend the Contractor Indemnified Parties, including appeals, for personal injury to, or death of, any person or persons, or for loss or damage to property arising out of the negligent acts or omissions of the Agency in the performance (or nonperformance) of their obligations under this Agreement. The Agency is not, however, obligated to protect, indemnify or hold harmless any Contractor Indemnified Party for loss or claim resulting from performance (or nonperformance) of any Contractor Indemnified Party's obligations under this Agreement or the negligence or willful misconduct of any Contractor Indemnified Party. The Agency's aforesaid indemnity is for the exclusive benefit of the Contractor Indemnified Parties and in no event shall such indemnity inure to the benefit of any third party. This indemnity shall survive the termination of this Agreement.

Section 17. Insurance.

Contractors shall maintain the following minimum insurance: (a) commercial general liability insurance, on a comprehensive, broad form policy, covering all activities conducted or to be conducted by Contractors on or from the existing Landfills and any expansion thereto, including contractual liability coverage for Contractors' indemnification obligations hereunder, premises coverage, completed operations coverage, owned and non-owned vehicles and equipment coverage, contractors protective coverage, and waiver of subrogation as against the Agency (or its members, employees or agents) except for claims resulting from their negligence or willful misconduct; and (b) pollution legal liability insurance covering bodily injury and property damage liability arising out of the actual or threatened release of contaminants from the existing Landfills or any expansion thereto, and covering the costs of remedial action for any contaminants which have been or are threatened to be released from the Landfills or any expansion. To the extent permitted by law, all or any part of any required insurance may be provided under a plan of self-insurance. Under all coverages the Agency, its employees and agents shall be shown as additional insured by endorsement. Limits of liability for the coverage shall not be less than \$2,000,000.00 per occurrence and \$6,000,000.00 annual aggregate. Coverage required pursuant to this Agreement shall be maintained from the effective date of this Agreement until certification that the post-closure period has terminated. Contractors shall cause the Agency to be provided with certificates of insurance evidencing the coverages stated

herein, which certificates shall prohibit cancellation of the policies except upon thirty days written notice to the Agency, and which certificates shall state the Agency's additional insured status. This Section shall survive the termination of this Agreement.

Section 18. Notices

All notices, demands, requests and other communications hereunder shall be deemed sufficient and properly given if in writing and delivered in person to the following addresses or sent by certified mail, postage prepaid, return receipt requested, at such addresses; provided, if such notices, demands, requests or other communications are sent by mail, they shall be deemed as given on the third day following such mailing which is not a Saturday, Sunday or day upon which the U.S. Postal Service does not deliver mail.

a. If to the Agency:

Executive Director
Solid Waste Agency of Lake County, Illinois
1311 North Estes Street
Gurnee, IL 60031

b. If to Contractors:

General Manager
2101 S. Busse Road
Mt. Prospect, IL 60056

With a copy to:

Republic Services, Inc.
Attn: General Counsel
18500 North Allied Way
Phoenix, AZ 85054

Section 19. Severability

In the event that any provision of this Agreement shall, for any reason, be determined to be invalid, illegal or unenforceable in any respect, the parties hereto shall negotiate in good faith and agree to such amendments, modifications or supplements of or to this Agreement or such other appropriate actions as shall, to the maximum extent practicable in light of such determination, implement and give effect to the provisions of this Agreement, as so amended, modified, supplemented or otherwise affected by such action.

Section 20. Successors and Assigns

This Agreement shall be binding upon and inure to the benefit of the respective successors, permitted assigns, administrators and trustees of the respective Parties.

Section 21. Force Majeure

Any failure or delay in performance due to contingencies beyond a party's reasonable control, including strikes, riots, terrorist acts, compliance with applicable laws or governmental orders, fires and acts of God, shall not constitute a breach of this Agreement.

[Signatures on following page]

IN WITNESS WHEREOF, Contractors and the Agency have caused this Agreement to be executed in their respective names, have caused their respective corporate seals to be hereto affixed, and have caused this Agreement to be attested, all by their duly authorized officers and representatives, and Contractors and the Agency have caused this Agreement to be dated as of the date and year first written above.

SOLID WASTE AGENCY OF LAKE
COUNTY, ILLINOIS

By: _____

Attest:

Secretary

American Disposal Services of Illinois, Inc.

By: _____

Lee County Landfill, Inc.

By: _____

Newton County Landfill Partnership

By: _____

Republic Services of Wisconsin, Limited Partnership

By: _____

Attest:

Exhibit A-1

Legal Description

[to be inserted by field]

Exhibit A-2

Drawings

[to be inserted by field]

Exhibit B

SWALCO Guidelines

[See Attached]

SWALCO
LANDFILL SELF-AUDIT SUBMITTAL CHECKLIST
for 2006 and 2007

Pursuant to the Disposal Agreement with the Solid Waste Agency of Lake County (SWALCO), the landfill operator (the Contractor) is required to maintain compliance with all regulatory requirements and certain contractual conditions. Under Article IV, Delivery and Disposal of Acceptable Waste, of the Disposal Agreement, SWALCO or its representative, shall have the right to conduct an environmental audit, to verify the Contractor's compliance with all federal, state or local environmental laws, rules or regulations applicable to the Landfill and/or to verify the Contractor's compliance with the final local siting approval and any conditions or requirements specified in the Disposal Agreement with respect to the operation, maintenance or closure of the Landfill. The Contractor is obligated under these provisions, to take all actions reasonably necessary to correct and to remedy any violations of these requirements determined to exist as a result of the Environmental Audit, subject to available appeal processes.

In accordance with these contractual provisions, SWALCO is requesting the Contractor to submit the information requested in this form, which is necessary to conduct the audit. The audit will be prepared by the Contractor in the form of a "Landfill Environmental Self-Audit". Although this audit is principally for the calendar year 2007 additional information is requested to fill the gap since the last audit, prepared for the fiscal year 2005-2006. An initial kickoff meeting with the Landfill Contractor to discuss SWALCO expectations will be arranged in April or May. The Contractor will be required to submit the self-audit form and requested supporting information by July 15, 2008. SWALCO, with the assistance of its consulting engineer, will review the submittal for completeness. After the submittal is deemed to be complete, the final audit report will be presented by the contractor to the SWALCO Executive Committee on August 14, 2008 and the SWALCO Board on August 28, 2008.

Submittal requirements - The Self Audit document format should follow the order of this checklist with tabs provided and include all information supporting conclusions.

Three DRAFT Copies Due: June 30, 2008

Five FINAL Copies Due: July 31, 2008, including electronic (PDF)

1 FACILITY IDENTIFICATION AND CONTACTS

- a. Please include a location map of the site outlining the facility in an aerial or USGS format.
b. Please provide the following information:

FACILITY NAME: _____

LOCATION (Physical landfill address): _____

CITY: _____

STATE _____ ZIP CODE _____

HOURS OF OPERATION:

Week Days	_____	a.m., until _____	p.m.
Saturday	_____	a.m., until _____	p.m.
Sunday	_____	a.m., until _____	p.m.

KEY LANDFILL OPERATIONS PERSONNEL

NAME

PHONE NUMBER

Principal Contact: _____

Landfill Manager: _____

2 WASTE QUANTITIES RECEIVED

- a. Total waste accepted, monthly and annually for 2006 and 2007.
b. Total waste accepted that is exempt from the surcharge (pursuant to Sec. 22.15 of the Act), monthly and annually for 2006 and 2007.
c. Waste quantity received by origin from Lake County, other Illinois counties, Wisconsin, and other sources.

Y	N	NA
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

3 PERMIT HISTORY / STATUS:

- a. Provide information on all current federal, state and local permits related to the facility for any associated activity. This should include who the permits are with, what the permit is regulating, what is the compliance status of the permit, and what permitting activity occurred in 2006 and 2007.

Y	N	NA
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

SWALCO
LANDFILL SELF-AUDIT SUBMITTAL CHECKLIST
for 2006 and 2007

- b. Provide information on all pending federal, state and local permits related to the facility for any associated activity.

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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4 LANDFILL CAPACITY ESTIMATES:

- a. Total in-place CY of airspace, with copy of IEPA certification form as of January 1st of 2008. Provide as of January 1, 2008, the following information: Remaining permitted area (acres), Remaining permitted capacity (years), Remaining permitted airspace (cubic yards), and Remaining permitted capacity (tons).
- b. Amount of SWALCO designated capacity remaining (per host agreement).
- c. Basis for capacity estimate and principal assumption factors.
- d. Provide graphical/tabular history of landfill capacity and annual tons received.
- e. Final waste elevations documenting no exceedance of permitted capacity.

Y	N	NA
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

5 PERMIT COMPLIANCE DATA:

Provide the most current facility information (as of January 1st) regarding groundwater, leachate, and gas in maps and graphical or tabular format.

- a. Provide location maps identifying all monitoring points for groundwater, leachate and methane gas.
- b. Provide potentiometric maps (quarterly or annual) for the uppermost aquifer for calendar years 2006 and 2007.
- c. Provide the following groundwater monitoring information for 2006 and 2007:
- 1 Identify monitoring wells that had four consecutive quarters of increasing or decreasing concentrations, exceeded an applicable groundwater quality standards (AGQS) or maximum allowable predicted concentrations (MAPC's) standard or detection of an organic compound.
 - 2 Identify parameters and results for monitoring wells where confirmation sampling was required.
 - 3 Identify monitoring wells and parameters that are in the process of assessment monitoring or completed assessment monitoring and the status/results of the assessment monitoring.
 - 4 Identify monitoring wells where assessment monitoring for potential groundwater impact is/was required because of the assessment monitoring results.
 - 5 Identify any remedial action that was done or is being taken as a result of the assessment monitoring results.
- d. Document leachate management in the existing and expansion areas.
- e. Provide monitoring data on leachate levels at all leachate monitoring points. Identify quantities of leachate recirculated and managed off-site.
- f. Provide and summarize leachate quality, lab analytical data results for 2006 and 2007. Please highlight and discuss the quality of the leachate and if there are any trends or concerns.
- g. Provide current landfill gas collection system showing all pertinent features and description of system and expansions.
- h. Summarize all surface emission monitoring, monthly interior well monitoring data, and perimeter probe monitoring, and identify any exceedances (maps/graphical & tabular) for 2006 and 2007.
- 1 Explain any corrective actions that have been undertaken or will be undertaken to correct air emission exceedances.
- i. Document surface water management procedures (description & maps). Provide results and any testing per NPDES or on off-site discharges.
- j. Provide current status of the financial assurance plan including all revisions and provide a copy of the most recent financial assurance cost estimate and provide proof of financial assurance.
- k. Document actions/steps taken to address/correct the audit recommendations from the last audit completed by CDM (2005/2006 Audit).
- l. Document that all siting conditions have and continue to be in compliance.
- m. Status of landscaping installations with regard to applicable permits and agreements.
- n. Summary of the IEPA and Lake County Health Department Inspection dates, violations, odor complaints, compliance advisories and other corrective actions for calendar years 2006 and 2007.

Y	N	NA
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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SWALCO
LANDFILL SELF-AUDIT SUBMITTAL CHECKLIST
for 2006 and 2007

- o. Summary of citizen complaints, the nature of the complaints and how they were responded to.
- p. Summarize the overall compliance status of the facility with all required permits currently in effect. Document compliance issues and actions/steps taken to address/resolve these compliance issues.

6 HOST AGREEMENT COMPLIANCE DATA:

- a. Provide evidence of scale certifications in accordance with state law.
- b. Document the total amount paid in host fees under each applicable host agreement, (all host, not just SWALCO) including the total waste amount, the per ton fee amount and total fees paid in 2006 and 2007.
- c. Provide Auditor Certification that the rate charged for the Participating Community Waste complies with the most Favored Nation provisions of the SWALCO Agreement.
- d. Provide evidence of insurance meeting the requirements of the SWALCO Agreement and the Host Community Agreement.

Y	N	NA

7 SURCHARGE REPORTING DATA:

Provide a table documenting the amount of surcharge fees (pursuant to Sec. 22.15 of the Act) paid in 2006-2007 and a separate table summarizing all surcharge-exempt waste received at landfill (code, type, quantity). Provide explanation/documentation of why each waste stream was exempt from the surcharge for calendar years 2006 and 2007.

Y	N	NA

8 SPECIAL WASTE REPORTING DATA:

Provide tables summarizing all non-hazardous special waste received at landfill (code, type, quantity) for calendar years 2006 and 2007.

Y	N	NA

I hereby certify that I am an employee and authorized representative of the Landfill Contractor (referenced below) and, to the best of my knowledge, the information provided here and in all associated attachments submitted herewith are accurately presented facts concerning the referenced landfill operations and its compliance with all regulatory requirements and referenced contractual provisions.

SIGNATURE:

Authorized Representative of: _____

Name (printed) _____

Title: _____

Signature: _____

Date: _____

A – 5. Budget Adjustment

ISSUE: Increase to Revenues offset by increase to Expenditures

RECOMMENDATION: Approval recommended

TIMING: Routine

BACKGROUND: SWALCO received a grant in 2009 from the American Chemistry Council (ACC) to hire an intern to assist with the Pilot Plastic Bag Recycling Program in Lake County. The pilot program has been very successful and is ongoing. The ACC has granted another \$5000 grant to SWALCO to continue the program in 2010.

FISCAL IMPACT: Organization 930-9200040, Object Code 45330 – Grants (\$5,000)

ENCLOSED DOCUMENTS: None

STAFF: Peter Adrian, Recycling Coordinator; Barbara L. Amadei, Executive

A – 6. HCW Labor/Transportation Bid Award

ISSUE: Approve HCW Labor/Transportation Bid Award subject to General Counsel review.

RECOMMENDATION: Recommend Approval

TIMING: Routine

BACKGROUND: The performance of SWALCO's HCW Program requires various outside (subcontracted) services. SWALCO currently uses an environmental contractor named Clean Harbors to provide a trained labor force to conduct the chemical handling, packaging and transport vehicles for transportation services. The term of the current contract with Clean Harbors is due to expire March 3, 2010, no extensions are available.

Last month staff, along with the Lake County Purchasing Department, developed a HCW Labor/Transportation bid soliciting services needed for our mobile collection events, public drop-off events and paint bulking activities. The bid was advertised on December 14, 2009, the bid opening was January 6, 2010. The term of this contract is one year with four one year extension options.

The bid was sent to four well known environmental services companies (Veolia Environmental Services, Clean Harbors Environmental Services, Heritage Environmental and R3 Environmental Management, Inc.) along with being advertised on Lake County's website. Two quotes were received; Clean Harbors and Heritage no-bid the opportunity. The price of the two bids was \$108,090 for Veolia Environmental and \$140,300 for R3 Environmental.

Staff has reviewed both bids and has determined that Veolia Environmental met all the requirements of the bid specification and is the lowest responsive bidder. Their bid is in the amount of \$108,090 is well within the amount budgeted for 2010. The amount expended under this contract will vary based upon the services requested but under no circumstances will it exceed the amount established in our FY 2010 HCW budget.

Staff is requesting the Executive Committee's pre-approval of this bid award. Final approval will be obtained at our January 28th Board meeting. Upon receiving the Board's approval, staff will request Lake County's Purchasing Department to issue a formal award notice to Veolia Environmental securing their services for our HCW program.

FISCAL IMPACT: Organization 930-9200030, Object Code 71150, Consultant Fees – est. \$108,090.

ENCLOSED DOCUMENT: HCW Bid Tabulation

STAFF: Steve Nelson, Household Chemical Waste Engineer

HCW

LABOR & TRANSPORTATION SERVICES

BID # 10007

VENDORS				CLEAN HARBORS & HERITAGE (NO BID)		Veolia ES Technical Solutions East Chicago, Indiana		R3 Environmental Management Elgin, Illinois	
ITEM	DESCRIPTION	QTY	U/M	UNIT PRICE	EXTENSION	UNIT PRICE	EXTENSION	UNIT PRICE	EXTENSION
1	Per Event price for mobilization of base labor cost for each even	8	Event	\$ -----	\$ -----	\$7,140.00	\$57,120.00	\$9,600.00	\$76,800.00
2	Per Event price, for a semi truck	8	Event	\$ -----	\$ -----	\$950.00	\$7,600.00	\$1,200.00	\$9,600.00
3	Per Event Price 24ft box truck	8	Event	\$ -----	\$ -----	\$400.00	\$3,200.00	\$400.00	\$3,200.00
TOTAL GROUP 1 – Lines 1-3					\$ -----		\$67,920.00		\$89,600.00
ITEM	DESCRIPTION	QTY	U/M	UNIT PRICE	EXTENSION	UNIT PRICE	EXTENSION	UNIT PRICE	EXTENSION
4	Per Event Price, to provide a base labor force of four (4) OSHA trained personnel	24	Event	\$ -----	\$ -----	\$1,455.00	\$34,920.00	\$1,800.00	\$43,200.00
TOTAL GROUP 2 – Line 4					\$ -----		\$34,920.00		\$43,200.00
5	Provide one technician to unload gaylord boxes of latex & oil based paint & bulk into drums	125	Hour	\$ -----	\$ -----	\$42.00	\$5,250.00	\$60.00	\$7,500.00
TOTAL GROUP 3 – Line 5					\$ -----		\$5,250.00		\$7,500.00
TOTAL GROUPS 1 & 2 & 3					\$ -----		\$108,090.00		\$140,300.00

I – 1. HCW Schedule for FY 2010

BACKGROUND: Enclosed is the proposed Household Chemical Waste (HCW) collection schedule for fiscal year 2010. This schedule is based upon the pricing results obtained from the HCW Labor/Transportation bid opened on Jan. 6th and our current HCW budget. This schedule assumes that our Illinois Environmental Protection Agency funding agreement will be renewed on July 1, 2010 with no changes. The IEPA informed us in writing that they are honoring our existing agreement through the end of their fiscal year (June 30, 2010). If on July 1st the IEPA decides to not renew our contract, or decides to impose a financial cap, significant changes to the remaining schedule will be necessary.

The contract pricing from the January 6th bid opening is well within our 2010 HCW budget, therefore, no reduction in the number of collection events is necessary unless SWALCO decides to implement some cost savings measures. Staff will proceed with scheduling thirty two (32) collection events again this year, twenty four (24) public drop-off events and eight (8) mobile events unless otherwise informed.

This season the public drop-off events (held at our Gurnee facility) will take place the **second Saturday and fourth Monday** of each month. Our hope is by locking in specific collection days we will eliminate any confusion on when public drop-off events will take place. As before, our mobile events will take place on Saturdays at various locations throughout Lake County from April through November. The dates and locations of our mobile collections are not yet confirmed.

Refer to the enclosed calendar for a listing of the collection event dates and locations proposed for this fiscal year. Note: the events proposed after June 30th are not yet confirmed. Once the mobile collection events, and the events proposed for after June 30th, are confirmed SWALCO will update our website (www.swalco.org) and send out member service bulletins with the specific dates and locations for your advertisement.

Note: SWALCO's fiscal year (December 1st through November 30th) does not exactly match up with the enclosed 2010 calendar. The December 2010 date listed should be ignored as it is actually in our next fiscal year (2011).

ENCLOSED DOCUMENTS: Draft HCW Collection Schedule for 2010

STAFF: Steve Nelson, Household Chemical Waste Engineer

DRAFT

HCW COLLECTION EVENT SCHEDULE

FY 2010

January 2010							February 2010							March 2010						
Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa
					1	2		1	2	3	4	5	6		1	2	3	4	5	6
3	4	5	6	7	8	9	7	8	9	10	11	12	13	7	8	9	10	11	12	13
10	11	12	13	14	15	16	14	15	16	17	18	19	20	14	15	16	17	18	19	20
17	18	19	20	21	22	23	21	22	23	24	25	26	27	21	22	23	24	25	26	27
24	25	26	27	28	29	30	28							28	29	30	31			
31																				
April 2010							May 2010							June 2010						
Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa
				1	2	3							1			1	2	3	4	5
4	5	6	7	8	9	10	2	3	4	5	6	7	8	6	7	8	9	10	11	12
11	12	13	14	15	16	17	9	10	11	12	13	14	15	13	14	15	16	17	18	19
18	19	20	21	22	23	24	16	17	18	19	20	21	22	20	21	22	23	24	25	26
25	26	27	28	29	30		23	24	25	26	27	28	29	27	28	29	30			
							30	31												
July 2010							August 2010							September 2010						
Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa
				1	2	3		1	2	3	4	5	6				1	2	3	4
4	5	6	7	8	9	10	8	9	10	11	12	13	14	5	6	7	8	9	10	11
11	12	13	14	15	16	17	15	16	17	18	19	20	21	12	13	14	15	16	17	18
18	19	20	21	22	23	24	22	23	24	25	26	27	28	19	20	21	22	23	24	25
25	26	27	28	29	30	31	29	30	31					26	27	28	29	30		
October 2010							November 2010							December 2010						
Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa
					1	2		1	2	3	4	5	6				1	2	3	4
3	4	5	6	7	8	9	7	8	9	10	11	12	13	5	6	7	8	9	10	11
10	11	12	13	14	15	16	14	15	16	17	18	19	20	12	13	14	15	16	17	18
17	18	19	20	21	22	23	21	22	23	24	25	26	27	19	20	21	22	23	24	25
24	25	26	27	28	29	30	28	29	30					26	27	28	29	30	31	
31																				

Collection Event Types

	Public Drop-Off Events (24)
	Mobile Collection Events (8)

Proposed Mobile Event Municipalities

	Antioch		Wauconda
	Vernon Hills		Lake Forest
	Lake Zurich		Round Lake Beach
	Deerfield		Mundelein

I – 2. Project and Program Updates

BACKGROUND: The following are updates on several projects and programs we are currently working on:

1. Walter Willis attended the Planning, Building and Zoning Committee meeting on January 5, 2010 to provide an overview of the C&D recycling facility zoning rules, which were prepared with assistance from County staff. This is the first step in formally amending the County's Unified Development Ordinance to incorporate the C&D recycling facility rules. After this meeting the rules will be sent to all SWALCO members (after being acted on by the SWALCO Board of Directors on January 28th). More details will be provided by Walter Willis at the Executive Committee meeting on January 14th.
2. Walter Willis and Barry Burton met with Mike Hey of Countryside LF on January 7th to discuss the air monitoring program being proposed by the USEPA. More details will be provided by Walter Willis at the Executive Committee meeting on January 14th.
3. SWALCO staff attended a planning meeting on January 7th for the upcoming conference at the College of Lake County campus on March 17th and 18th, entitled "Greentown: The Future of Community". The conference is focused on assisting Lake County and its communities to become more sustainable and is part of the College's move toward becoming a leader in sustainable planning and green job growth.
4. SWALCO is currently assisting Lincolnshire review and evaluate commercial franchise bids that were received on November 12, 2009. Bids were received from Groot, Veolia and WMI. Walter Willis attended a Village Board meeting on January 11, 2010 where staff presented its recommendation to the Board for its consideration. More details will be provided at the Executive Committee meeting on January 14th. SWALCO is also assisting Vernon Hills with its residential hauling contract negotiations and attended a meeting on January 11th with Veolia, the Village's current hauler.
5. SWALCO is taking the lead on negotiations to amend SB 2034 and has been working with the key stakeholders to draft compromise legislation.
6. SWALCO has updated its website to include contact info and general instructions for submitting Freedom of Information Act (FOIA) requests in accordance with the new legislation effective January 1, 2010.
7. Veolia has issued the necessary public notice per the State's siting law (Section 39.2 of the Act) of its intent to file a siting application with the City of Zion to request approval of an expansion of the Zion Landfill. The formal date for filing the siting application is expected to be February 8, 2010. Public hearings on the request may begin no sooner than 90 days but no later than 120 days from the filing date of February 8th.

STAFF: Walter Willis, Executive Director